

AUCTION DATES

Chrysler Motors

July 12 — Florida Auto Auction of Orlando, Ocoee, Fla.; Dallas Auto Auction, Grand Prairie, Texas; Hatfield Auto Auction, Hatfield, Pa.; Arena Auto Auction, Chicago; Greensboro Auto Auction, Greensboro, N.C.; Riverside Auto Auction, Riverside, Calif.; and Portland Auto Auction, Portland, Ore.

July 13 — Columbus Fair Auto Auction, Obetz, Ohio

July 14 — Fredericksburg Auto Auction, Fredericksburg, Va.; Indianapolis Auto Auction, Indianapolis, Ind.; Omaha Auto Auction, Omaha, Neb.; and Southwest Auto Auction, Phoenix, Ariz.

July 15 — St. Louis Auto Auction, Bridgeton, Mo.

July 19 — Hatfield Auto Auction, Hatfield, Pa.; American Auto Auction, Walpole, Mass.; Aptco Auto Auction, Taylor, Mich.; Nashville Auto Auction, Nashville,

Used Car Sales

Auction Averages

July 88	\$5,844
Month ago	\$5,824
Year ago	\$5,879

Model Breakdown

Auction Averages

	JULY 1988	JUNE 1988	MAY 1988
1988	\$12,417	\$12,545	\$12,495
1987	\$8,630	\$8,668	\$8,581
1986	\$7,281	\$7,327	\$7,400
1985	\$5,830	\$5,881	\$5,711
1984	\$4,534	\$4,534	\$4,525
1983	\$3,715	\$3,721	\$3,778
1982	\$2,518	\$2,529	\$2,475
1981	\$1,927	\$1,932	\$1,983
Overall Average	\$5,844	\$5,855	\$5,880

Tenn.; Denver Auto Auction, Aurora, Colo.; Golden Gate Auto Auction, Fremont, Calif.; and South Seattle Auto Auction, Kent, Wash.

Ford Motor Co.

July 12 — South Seattle Auto Auction, Kent, Wash.

July 13 — Wednesday Auto Auction, Obetz, Ohio; Southern California Auto Auction, Fontana,

Calif.; Newburgh Auto Auction Inc., Newburgh, N.Y.; and Salt Lake Auto Auction, Salt Lake City

July 14 — Dallas Auto Auction, Grand Prairie, Texas, and Minneapolis Auto Auction, Plymouth, Minn.

July 19 — Harrisonburg Auto Auction, Harrisonburg, Va., and Bay Cities Auto Auction Inc., Hayward, Calif.

General Motors

July 12 — A.D.E. of Birmingham, Moody, Ala.; Harrisonburg Auto Auction, Harrisonburg, Va.; Mannheim Auto Auction, Mannheim, Calif.; and Florida Auto Auction of Orlando, Ocoee, Fla.

July 13 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

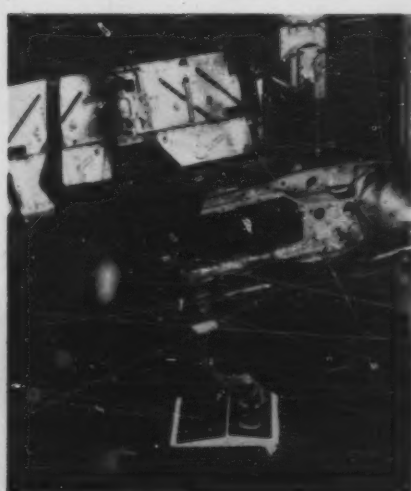
July 14 — Denver Auto Auction, Aurora, Colo.; Butler Auto Auction, Gibsonia, Pa.; Aptco Auto Auction, Taylor, Mich.; Big H Auto Auction, Houston; Nashville Auto Auction, Nashville, Tenn.; and Southwest Auto Auction, Phoenix, Ariz.

July 19 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and South Seattle Auto Auction, Kent, Wash.



Ferris Bueller's dream

Modena Design & Development's Classic GT250 is a hand-built, high-performance convertible inspired by the Ferrari Spyder California models of the late 1950s and early 1960s. The El Cajon, Calif.-based company plans to produce 100 Classic GT250 cars during the next 12 months. The car is based on the Modena prototype featured in the hit movie "Ferris Bueller's Day Off."



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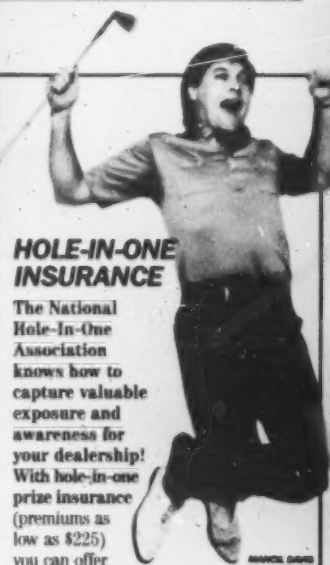
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THE CO-OP SCENE

Manufacturer	Number of dealer advertising associations	Percent of dealer body enrolled in dealer ad associations	Range of per-vehicle contributions by dealers	Factory support funds available	Use of factory ad agency required to receive factory funds?	How program works
BUICK	145	47	\$45 to \$150	\$20 million	No	Buick will pay for one-third of the media costs of an approved ad while the dealer group pays for two-thirds. Factory support rises to up to 50 percent when dealer group runs factory-produced ads for special promotions.
CADILLAC	52	55	\$75 to \$230	\$7 million	No	Cadillac will pay for an average of one-third of the media costs of an approved ad, while the dealer group pays for two thirds. Actual factory support is up to Cadillac zone manager or zone merchandising manager.
CHEVROLET	150	47	\$2 to \$200 ¹	\$80 million	No	Dealers collect their own funds and spend the money on media in their own markets. Division runs factory-produced regional ads and marketing programs separately from dealer association ads.
CHRYSLER-PLYMOUTH	50	99	Majority of dealers contribute between 0.5 and 1 percent of vehicle base invoice price.	\$15 million	Yes	Chrysler-Plymouth contributes between 9 and 25 percent of the media cost of dealer association ads. Actual factory contributions depend on the expenditures.
DODGE	51	99	Majority of dealers contribute between 0.5 percent and 1 percent of vehicle base invoice price.	-\$15 million	Yes	Dodge contributes between 9 and 25 percent of the media costs of dealer association ads. Actual factory contributions depend on percent of invoice that dealer group contributes.
FORD DIVISION	68	99	\$45 to \$150	Ford Funding Program — \$20 million; Regional and market support — \$13.3 million	No	Ford distributes factory money to its Ford Dealer Advertising Fund (FDAF) groups based on each group's expenditures in six media categories. If the group spends 10 percent of the total dealer expenditures, that FDAF will receive 10 percent of the \$20 million Ford Funding Program. Additional monies are available to each FDAF. Regional and market support monies pay for regional sales promotions, including incentives but rarely for advertising.
HONDA	Acura 21, Honda 54	Acura 50 ² , Honda 58	Acura \$150 to \$300; Honda \$50 to \$150	\$0	Acura — No; Honda — No	Honda and Acura give their dealers an advertising allowance per car based on how long the individual has been a dealer. The program is front loaded. Dealers who want to organize a group tell the importer how much they want to collect and American Honda puts it on the invoice. Honda dealers received factory support last year for a special program.
JEEP-EAGLE	28	100	One percent of base invoice plus \$50	\$37 million	Yes	Jeep-Eagle will pay for 60 percent of dealer association media costs during the 1988 and 1989 model years. Factory contribution level will decrease to an unknown level in the 1990 model year. Dealers pay for production cost of requested creative executions.
LINCOLN-MERCURY	26	100	Lincoln \$75 to \$250; Mercury \$50 to \$200	Regional marketing program \$14.9 million; Marketing support funds \$3.5 million	Yes	Regional marketing funds are distributed on a joint division dealer group participation formula. Market support funds distributed according to requests from district manager and association, and association spending level.
MERCEDES-BENZ	248	99	\$100	\$9 million	Yes	Mercedes-Benz contributes \$100 per car in a dealer matching program instituted in the 1988 model year. Matching funds pay for dealer association media costs, however dealers can take up to 10 percent of dealer/factory money to fund non-advertising programs.
NISSAN	62	83	Included in invoice price beginning in 1989 model year	\$15 million	Yes	Beginning in the 1989 model year, Nissan will include dealer advertising costs in the invoice price of the vehicle. Nissan will not match dealer funding. All creative will be handled by Chiat/Day. Factory will work with dealers and place ads in the local media.
OLDSMOBILE	146	65	\$40 to \$200	\$20 million	No	Oldsmobile divides up its regional marketing budget and gives a portion to four assistant general sales managers. Dealer groups decide on per-car collection amount and Oldsmobile negotiates what it will spend. Spending based on Oldsmobile sales in that market and media costs.
PONTIAC	125	50	\$50 to \$200	\$18 million	No	Pontiac pays for \$1 of dealer ad association media costs out of every \$2 the dealer group spends in media.
TOYOTA	23 ³	99	\$185 to \$275	\$15 million	No	Dealers under Toyota Motors distributors' system receive variable contribution rates from the factory ranging from 10 percent to 50 percent. Dealers select months when sales are strongest and TMS shares in media costs. Toyota national sales events require dealers to use factory ads.
VOLKSWAGEN	107	96	\$125 to \$400 ⁴	\$6 million ⁵	Yes	Dealers decide how much per-vehicle they will contribute to local advertising fund and Volkswagen matches dealer money dollar-for-dollar. There are spending caps for each market.
VOLVO	187 single point co-op dealers ⁶ ; 37 major market groups	98	\$150	\$10.5 million ⁷	Yes/No ⁸	Volvo matches \$150 per car for both retail and fleet for every \$150 the dealer group contributes per car (began in June 1988).

¹ Chevrolet will begin adding a 1 percent charge to each vehicle invoice beginning in the 1989 model year to fund ad groups

² Percentages represent the number of dealers in metro market groups

³ Dealer groups under Toyota Motor Distributors only

⁴ Estimated

⁵ Estimated

⁶ Single point co-op dealers are dealers in an area where there is no organized Volvo dealer advertising group

⁷ Estimated based on 1987 sales and 1987 contributions of \$100 per-car for single point co-op dealers and \$117.50 per-car for major market dealers

⁸ Major market dealers must use national agency to receive support funds from factory; single point co-op dealers do not

THE CO-OP SCENE

FROM PAGE 1

In the last two months, Chevrolet and Nissan have unfolded plans to add local advertising costs to the invoice price of vehicles, beginning in the 1989 model year, to fund dealer association advertising. Top GM executives say GMC Truck will institute a program similar to Chevrolet's.

The franchise-offering circular for GM's new Saturn subsidiary calls for mandatory membership in local marketing groups with fees ranging from \$150 to \$300 per car, significantly above dealer contribution levels for other GM divisions.

Dealers are expressing mixed emotions over those new policies and others. Some dealers believe policies like mandatory advertising charges will bring equality among dealers paying for local ads. Dealers who haven't participated in co-op programs would be forced to fund ads they previously enjoyed free-of-charge, supporters say.

But detractors argue that the new policies are a way of forcing dealers to subsidize the cost of factory ads run in local markets while also limiting dealer groups' ability to tailor "buy now" ads to regional tastes.

"Manufacturers are getting more and more dictatorial in what they are demanding of the dealers, and dealers are wondering where they are going with these ad groups," said Jimmy C. Payton, president of the National Automobile Dealers Association, which recently took a stand against mandatory dealer participation in ad associations.

One big incentive for automakers to keep a closer eye on dealer funds is the skyrocketing number of contributions from dealers. In fact, local automotive advertising by dealer groups, manufacturers and individual dealers is the fastest growing segment in the advertising industry. Those three entities spent \$1.3 billion in local advertising in 1987 — an almost five-fold increase from the \$276 million spent in 1981, according to Robert J. Coen, senior vice president and director of forecasting, McCann-Erickson Inc.

The numbers include magazines, spot television, outdoor and newspapers ads. Coen said the reported spending could be "only



Payton: "Manufacturers are getting more and more dictatorial in what they are demanding of the dealers, and dealers are wondering where they are going with these ad groups."

the tip of the iceberg" since many mediums — such as local radio — are unmeasured.

The explosive growth of local automotive advertising has been fueled by several factors including the formation of more ad groups by domestic dealers and a proliferation of new automakers entering the marketplace and establishing dealer ad groups.

Manufacturers also have tried to channel dealer association funds into regional marketing efforts, tailoring ads to regional tastes and cultures. Dealer groups have helped the manufacturers direct their marketing programs, advertising and products to local areas or regions. For some automakers, regional programs are executed by the dealer group and funded by either the factory or the dealer or both.

Others — especially the domestic car-makers — are pumping additional local ad and marketing money into regions to complement dealer efforts. For instance, Ford Division distributes \$20 million among its 68 dealer groups for dealer association (co-op) advertising in addition to the \$13.3 million the division spends in regional marketing programs.

Meanwhile, firms such as Volvo and Mercedes-Benz — both of which offer fewer models and have smaller advertising budgets than the domestics — use their dealer associations for their regional thrust.

Mercedes-Benz, which previously had only national and individual-dealer advertising, now spends \$9 million to support its dealers with a \$100-per-car contribution to the dealer. The dealer also puts up \$100. Gerd Klaus, vice president of operations for Mercedes-Benz of North America, called the new program "the marketing weapon (previously) missing from our tool box."

Chevy deals wait word on intro cars, Geo

By Detech Masada
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Chevrolet dealers will learn this week why they will have no say in what models they have on their showroom floors to launch the 1989 model year.

They also will learn what it's going to take to sell import cars through Geo, which is being called the "franchise of the mind."

At the 1989 new-model meetings held for Chevrolet dealers across the country, the dealers will be told of a new divisional allocation program that will be implemented this year called "Easy as One, Two, Three." The program will take from Chevrolet dealers the opportunity to choose for themselves the kinds of models, trim levels and colors they will initially have to sell.

Chevrolet dealers only last week received the 1989 new-car order guide, something that in the past had arrived by May.

The allocation plan, devised by the Chevrolet Marketing Center, will prepackage cars in up to three available trim levels and offer to dealers, on an "order image" basis, the model types and packages that each dealer sold in 1987 and 1988. Trim levels and option packages that have sold well regionally will also go into the distribution equation.

The new plan is an effort to ease model-startup manufacturing and give product uniformity at introduction to dealers across the country, said Greg Zuckier, sales manager of the Chevrolet Marketing Center. Zuckier also said that such model uniformity could make a national package discount sale easier.

At Nissan, the dealer ad groups were not helping the importer develop a clear, consistent image following the nameplate change from Datsun to Nissan in 1982. The 62 dealer ad associations were working with more than 30 independent agencies, some of which were not developing campaigns "consistent" with the national message.

The advertising associations turned into a political arena; some dealers would resign because they didn't like another dealer in the advertising group," said Robert Thomas, Nissan division vice president. "We thought we had to gain a lot more influence on the ads and get some sort of creative control."

The dealers, tired of the politics and the fuzzy image, agreed to discuss a change. Last month, Nissan said it would no longer distribute factory funds based on dealer contributions. Instead, local ad costs will be built into the vehicle's wholesale price.

All creative will be executed by Chiat/Day, Nissan's national advertising agency, instead of by the independent agencies. Nissan dealers are free to form their own groups or continue to use existing dealer ad groups, but funding will be the total responsibility of the dealers. Even if dealer groups choose another agency and pay for the advertising, Nissan will continue to place factory-created regional advertising in their markets.

At GM, co-op advertising is presenting a different set of problems. GM is finding that the percentage of its dealers participating in factory advertising groups is below that of its competitors. Slightly less than half of the Chevrolet and Buick dealers participate in an ad group, while domestic rivals Ford and Chrysler have 99-plus percent participation. Buick plans to offer its dealers incentives to join ad groups in the 1989 model year.

Pontiac has exactly half of its dealers participating while Cadillac, which has made a big push in recent years to organize new groups, has a 55 percent dealer participation rate. Oldsmobile has 65 percent of its dealers participating in ad groups.

Although GM dealers' participation levels are lower than those of competitors, GM marketing executives say dealers participating in groups make up 70 percent to 90 percent of each division's sales.

One reason for the low participation is the late start many dealers had in organizing groups. Many groups were organized around major metropolitan areas in the 1960s and 1970s, while dealers in sparsely populated areas were largely unorganized.

The big push started in the early 1980s and was stepped up after the GM reorgani-

Currently, Chevrolet is the only General Motors division with such a program. Glenn Smith, Pontiac director of distribution and sales analysis, said Pontiac has suggested pattern orders for dealers at startup, but said it is not policy to force the issue.

Phase one of the Chevrolet plan calls for the first three weeks of build-up, which equals about 80,000 cars, to be specified by the marketing center's orders.

After that period, Chevrolet dealers will be able to special-order cars for customers. There are no plans to extend phase one of the program past the initial build-up.

Also at the meetings, Chevrolet officials will tell the dealers how they can qualify to sell the Geo brand cars. Part of what Chevrolet dealers will be told will be that they must sign an addendum to the current Chevrolet franchise agreement, invest in parts and tools inventory, send sales and service personnel to training seminars and install special Geo signage.

Geo dealers will be allowed to either use a separate sales and service facility or simply set aside existing showroom space for Geo products.

Since the Isuzu-built LUV pickup truck was introduced in early 1972, Chevrolet dealers have sold domestic-badged imports alongside Detroit-built iron.

For 1989 that changes. Only Geo brand dealers will sell Chevrolet's import cars — Japan's Isuzu and Suzuki cars and trucks — and the joint-venture car built at the New United Motor Manufacturing Inc. facility in Fremont, Calif.

Chevrolet is calling the Geo brand "life-

cycle vehicles" — there are enough cars in the lineup to appeal to a full range of buyers.

Cars for sale under the Geo label include Metro, which will be a reskinned Suzuki Sprint; the current Spectrum, which will remain in the line for 1989 but will be redesigned and named Storm for 1990; and Prizm, which will replace the NUMMI Nova next spring. A fourth vehicle is a sport-utility called Tracker that will be built by Suzuki. Tracker will be introduced first on the East and West coasts, in Hawaii and in Michigan.

Coming later will be a Metro convertible.

Chevrolet dealers learned of the Geo marketing plan in March. Described were the Geo philosophy, import buyer profiles in demographic and psychographic terms, and an outline of Geo dealer requirements. This week's meeting will begin the process of Geo dealer sign-up.

Not every Chevrolet dealer is expected to choose to be part of Geo's "franchise of the mind." Because of the investment involved, some Chevrolet dealers likely will choose not to take the brand. However, Chevrolet expects dealers in areas with historically strong import sales to add Geo.

Chevrolet said there will be limited availability of Geo cars the first year. An increase in product flow is scheduled for 1990 when a joint venture between GM of Canada and Suzuki, called CAMI, will produce cars for the U.S. market.

Automotive News Staff Reporter Rick Krenz in Detroit contributed to this report.

zation began in 1984. Chevrolet, for instance, went from approximately 20 dealer groups located around major metropolitan areas in 1981 to its current roster of 150.

Dealers found they could maximize their message by pooling funds instead of advertising by themselves. But as GM's market share has declined, there has been heightened concern that the corporation is being outspent by its competitors in terms of advertising expenditures per vehicle, at national and local levels.

"GM is being outspent in the marketplace (in advertising) by \$500 million in terms of share of voice; competitors got aggressive and got into GM's market share," said Don Mann, chairman of the Oldsmobile National Dealer Council and owner of Don Mann's Hansel & Ortman, Stockton, Calif. Share of voice means a company's ad expenditures in relation to all advertising in its category.

The Television Bureau of Advertising has been quite vocal in criticizing the domestics — especially GM — for that, claiming that the importers' increased "share of voice" —



Erdman: "You can follow share of voice and share of market and there is a direct correlation."

or the amount they spent as a percentage of spending by all automakers on television ads — has resulted in an increase in car market share for those manufacturers.

The bureau, a trade organization for the television advertising industry, said domestic makers on the other hand have suffered a loss in market share as their share of voice versus their import competitors dropped.

Lloyd Reuss, GM executive vice president in charge of North American operations, disagrees with the theory that GM can increase its share of market by increasing its share of voice. "There's a lot of over emphasis on the share of voice, share of market idea where we're standing — when you're at 40 percent of the market it doesn't make that much difference but when you're at 5 or 10 percent of the market it may apply."

However, some GM marketing executives say the low share of voice level of individual divisions has concerned them.

"We would like to see dealer participation in advertising groups increase so we can increase our share of voice and thus increase our share of market," said Jay Qualman, Buick general director of advertising.

"You can follow share of voice and share of market and there is a direct correlation," said Mike Erdman, Chevy marketing manager.

In fact, in an attempt to leverage more ad dollars locally, Chevrolet will assess a 1 percent charge on the invoice of each Chevrolet vehicle delivered to the dealer beginning in the 1989 model year to fund dealer associations. Fleet orders are excluded.

The money will be given back to the associations to produce campaigns and place ads locally. Chevrolet is the only GM car division that does not have a co-op program; factory money is spent on a regional basis without dealer participation.

The advertising charge will appear on the dealer's invoice as a line charge and will be assessed whether the dealer wants to belong to an association or not. Membership in an association will continue to be voluntary.

Erdman said the 1 percent charge on the invoice will not be a dramatic change for most of the Chevrolet dealer groups since the average dealer contribution is close to 1 percent of the average invoice price anyway. He added that groups can elect to collect up to 2 percent of base invoice.

Chevrolet said if a dealer does not want to belong to a local ad group and does not want the money from his invoice assessment to be given to that ad group, Chevy will collect the money and put it into its regional advertising budget for that area. Agency sources close to Chevrolet say the division could collect approximately \$150 million additional under the new collection program since all dealers will be participating instead of the current level of 47 percent.

The program was presented to key dealers several weeks ago and will be explained to the entire dealer body this week. Chevrolet will continue to run factory-funded local advertising and sponsor regional marketing efforts under the new program.

GMC Truck Division is working with Chevrolet to institute a similar program, and sources at other GM car divisions say they will closely monitor the effectiveness of the new collection procedure. But some are doubtful it will work for them.

Some of GM's dealer advertising groups have already adopted the percent of invoice

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THE CO-OP SCENE

FROM PAGE 73

system to collect ad monies, however some dealers say that if 1 percent of invoice is mandated for all dealers, the large-city dealers could be hurt.

If a dealer group in Los Angeles or New York sells a lot of smaller, lower-priced cars, it may be difficult to pay the high cost of advertising in those cities.

"The 1 percent (of invoice collection) system would not help us out in New York City but it could benefit the rest of the country," said Larry Brostoff, president of the Buick National Dealer Council and owner of Larry Buick, Long Island City, N.Y.

In addition to the collection procedure, one of the most controversial aspects of co-op advertising has been whether dealers have a right to select an agency other than the factory's national advertising agency.

Many agencies have recently begun handling dealer groups because of the desire of the factory to have all of its dealers under one agency. For instance, McCaffrey, McCall began rapid regional expansion when Mercedes instituted its dealer program last year. Similarly, William Esty set up 25 new regional offices to handle all 28 Jeep-Eagle dealer groups when Chrysler Corp. purchased American Motors last year.

In both the Mercedes and Jeep-Eagle situations, dealers were informed that they would not receive factory contributions to their advertising associations if they did not sign up with the factory agency.

In the case of Jeep-Eagle, the announcement met with some resistance from AMC dealers who had previously been able to choose their own agency and receive factory funds. Chrysler disbanded AMC's 65 dealer groups and organized 28 new Jeep-Eagle groups around existing Chrysler Motors sales zones.

"We had some pretty difficult meetings (with the dealers). There were a lot of changes for the dealer and a lot of it was 'Trust me (Chrysler),' " said Robert M. Williams, Jeep-Eagle dealer marketing manager.

"We wanted to use the agency (Esty) because we were launching the Eagle brand. No one was coerced. But after the merger, they thought they'd give it a try," said Williams.

Jeep-Eagle also gave the dealers a carrot: The factory would pay 60 percent of the dealer advertising group's media costs for the 1988 and 1989 model years to launch the Eagle brand if the group went with the factory ad agency. All of the dealers' associations voted to hire William Esty and resign their accounts with several independent shops.



Reuss: "There's a lot of over emphasis on the share of voice, share of market idea where we're standing — when you're at 40 percent of the market it doesn't make that much difference but when you're at 5 or 10 percent of the market it may apply."

Chrysler's factory contribution to Jeep-Eagle dealer advertising will decrease in the 1990 model year. Chrysler is also collecting Jeep-Eagle dealer funds on a 1 percent of invoice basis.

Chrysler Motors' other divisions operate on the same policy with non-factory advertising agencies, although some dealers have voiced their discontent with the system. In fact, two Dodge groups and three Chrysler-Plymouth groups are using independent advertising agencies and do not receive factory funds.

But Chrysler marketing executives said that besides helping to promote a consistent national image, using the factory agency helps the automaker avoid ad-related legal problems and reduces the number of staff people coordinating dealer advertising.

Volkswagen began its Tactical Marketing Associations for its dealers in 1983 and now funnels about \$50 million in dealer association and factory support money to its national agency DDB Needham.

"We did it for control, basically. We told the dealers if everyone is making a deposit and no one is making a withdrawal, you have more in your bank account," said Bill Gelgota, VW advertising manager.

Taking a different tack, manufacturers such as Ford, Toyota and Buick allow their dealers to choose the agency of their choice and contribute to the dealer groups regardless of the agency they choose. National advertising agencies for all three manufacturers also handle dealer groups.

Buick and Ford have taken similar positions, although executives from both companies admit that their field staffs are "encouraged" to present the benefits of using McCann-Erickson in the case of Buick or J. Walter Thompson in the case of Ford Division.

"Since working at Lincoln-Mercury where all the dealers use Young & Rubicam for their group advertising, I see tremendous value in having all the dealers singing off the same song sheet. But we don't live in a perfect world and dealers are independent businessmen," said John Vanderzee, Ford Division advertising manager.

Currently, 44 of the 68 Ford Dealer Advertising Fund groups, or FDAFs, hire J. Walter Thompson. The remaining 24 use approximately 18 independent advertising agencies, many of them run by former J. Walter Thompson account representatives.

Hugh Trenkamp, JWT senior vice president and head of the agency's retail FDAF accounts, said JWT began regionalizing itself several years ago in order to get closer to the FDAF groups and their markets. Now, each regional office has its own creative team and account representatives to handle the FDAF.

JWT is trying to win more FDAF business, and has bought ads in the Ford dealer magazine with laudatory quotes from FDAF chairmen who use JWT.

But the results of the effort have been somewhat disappointing. JWT has won two accounts back from independent agencies but at the same time there have been several defections.

At GM, McCann-Erickson is the only national advertising agency among the five car divisions currently handling dealer advertising groups. Other divisions are adamantly opposed to their national agency going after dealer business.

"There is a determined policy not to have D'Arcy, Masius, Benton & Bowles handle the creative executions for dealer marketing associations," said Peg Dilworth, manager of dealer marketing associations for Pontiac. "We feel that the dealers are the best regional marketers."

The 74 independent agencies that handle Chevrolet will be the recipients of the 1 percent of invoice collected from dealers for local advertising.

Reuss said GM will not mandate a policy — factory advertising agencies and dealer groups.

Members of Saturn's dealer advisory board have said they see certain benefits in having new advertising agency Hal Riney & Partners handle all of Saturn's dealer groups.

Despite the freedom to choose independent advertising agencies for creative at GM, the national agencies for Buick, Oldsmobile, Pontiac and Cadillac place ads funded with division money in local media as part of the dealer co-op program. As noted, Chevrolet has no co-op program.

Cadillac has been the only exception to that rule. But beginning in the 1989 model year, Cadillac's national advertising agency — D'Arcy, Masius, Benton & Bowles — will handle all the media buying for \$7 million worth of Cadillac-funded ads under the dealer co-op program. Independent agencies will continue to place dealer-group-funded ads in local media.

"We felt that it was an effort to work with our national agency and be more consistent with the rest of the GM divisions. I think that as we understand it, it's the overall efficiency with the GM Media Council leverage," said Peter Levin, Cadillac director of advertising.

But independent agencies say they have more clout with local media representatives and argue that the turnaround time on ads produced by an independent agency is faster than at the larger national agencies.

There has been a concerted effort on the part of the manufacturers whose dealers are using independent agencies to coordinate campaigns with those shops. Manufacturers present their marketing plans at the beginning of the model year so that dealer groups can tie in with national campaigns.

Film footage and music from the national campaign are usually made available to the independent ad shops for use in locally produced commercials. Factories often encourage dealer groups to tie their campaigns into the national theme.

In some cases, factories will increase their contributions if the dealer groups use advertising for specific promotions produced by the factory ad agency.

For instance, Buick paid 50 percent of the dealers' media costs when its dealer groups ran Regal commercials produced by McCann-Erickson in 1987. Toyota also increases its participation when dealers run factory-produced spots during special national sales events.

Daihatsu America, a newcomer to the U.S. auto market, decided to buck the industry trend by not offering a factory program for its dealers.

"When we announced it (no co-op program), our dealers applauded," said C.R. "Dick" Brown, executive vice president of Daihatsu America.

But some Daihatsu dealers are questioning whether the absence of dealer funds for advertising has contributed to the thin advertising budget and disappointing early sales results.

As competition increases in years to come, top automotive marketers are predicting that manufacturers will use co-op advertising in different forms.

Some will try to exert more control over dealer advertising in an attempt to control the manufacturer's image. Others will allow individual dealers to determine what that image should be in specific markets and support campaigns from the agency of their choice.

Said Payton of NADA: "I think the new co-op advertising policies of some factories are something that dealers are going to resist, and that may be our next battleground."

ROVER

FROM PAGE 71

European Commission Competition Commissioner Peter Sutherland met July 5 in Brussels, Belgium, to work out remaining differences.

That followed a letter from Prime Minister Margaret Thatcher to European Commission President Jacques Delors asking the commission to render a quick decision in the face of growing nervousness in the United Kingdom.

The stumbling block is apparently the size of the assistance package from the British government. It has proposed to write off £800 million (\$1.5 billion) in Rover Group debts as a condition of the sale, while Sutherland reportedly wants the figure cut by £200 million to £300 million.

At issue is whether British Aerospace, which essentially wants a debt-free company, is prepared to accept a smaller cash injection from the government.

Lord Young told reporters last week that the matter will likely be settled before the British Parliament recesses later this month.

According to one report last week, British government officials are worried that the commission is under pressure from the West German government to block the sale to British Aerospace and make possible a VW takeover. VW officials deny any West German interference in the proceedings.

But virtually every large-volume manufacturer in Europe looms as a potential buyer. In the hands of one of the Big 6 automakers, Rover's 3.5 percent share of the European market could sharply change the sales rankings. VW, Fiat, Peugeot, Ford, General Motors and Renault now range in

share from 10 to 15 percent.

Acquisition of Rover would make Ford unchallenged in the U.K. market, where it is already No. 1. Rover would provide VW with a new production base outside high-cost Germany and solidify VW's first-place position in Western Europe over Fiat.

Ford's mention on the Jaguar front late last week fueled speculation that if it can't acquire one British company, Rover, because of its strong ties to the government, it would go after the other — Jaguar, in which it could buy a strong position in the public market.

Jaguar stock was up £0.12, to £3.04 (\$5.21) a share Thursday as rumors of a takeover gained steam on the London Stock Exchange. On Friday, shares took another jump, to £3.15 (\$5.40) a share.

In previous months, prices have held steady in the £2.85 (\$4.90) range, a Jaguar spokesman said. The spokesman noted that anyone buying more than 15 percent of Jaguar shares must get approval from the British government. That provision was part of the deal that took Jaguar out of government hands in 1984.

"We have no knowledge of anyone, including Ford, buying our shares," the spokesman said.

A Ford spokesman said the company is not buying Jaguar stock. But he would not comment directly on the possibility of Ford acquiring Jaguar.

The British Aerospace deal has come under criticism from some quarters for excluding proposals from rival bidders. In an interview after the British Aerospace bid was accepted, Ford of Europe Chairman Alex Trotman said Ford discussed making a counter-offer, though he did not reveal the outcome of those deliberations.

YOSHINO

FROM PAGE 71

fast," he said with a laugh, "so there is no need to rush a decision."

This is the third time Yoshino has followed Irimajiri into a new job.

The two entered Honda together in April 1963, the same time as Nobuhiko Kawamoto, now president of Honda research and development. Yoshino and Irimajiri were not only classmates and friends at Tokyo University, they formed a pitcher-catcher, battery on the baseball team as well.

And, at Honda — like Irimajiri — Yoshino often has been mentioned as a likely successor to Tadahito Kume as president.

Yoshino spent 15 months in the United States, starting in January 1969, the first Honda man to go to the United States from the R&D division. His mission was to study U.S. exhaust emission standards.

Yoshino says during his earlier time in the United States, he particularly enjoyed the "open-mindedness" of American society.

The great unknown this time is how open-minded Marysville workers will be to Yoshino and his reputation for assembly speed.

The Suzuka plant Yoshino is leaving turns out 1,250 units daily of six different models with 11 variations.

Yoshino has a straightforward explanation for that. "We move fast," he said, "because we have to."

The plant has to keep up with a backlog of demand, Yoshino says. Also, company policy favors high speed, high intensity production.

"That is how we are trained," Yoshino says, from the days of the company's founder, Shoichiro Honda.

In Marysville, increased line

speed is already all too familiar, according to several workers. A Honda assembler said the company announced in January the speed of one line would be increased by 50 cars a day — to 365 from 315 cars per shift — by the end of February. Workers were told to find ways to do their jobs more quickly, he said.

The worker said people were having trouble increasing their pace and that, "It actually took them until about May to get to 365." He added: It used to be if you got good enough, you had a few seconds to breathe. Not anymore."

The Marysville worker said there was talk in the plant that the target was 1,750 — 500 more than at Suzuka — cars a day by 1991, and that date was moved up to 1989. The plant now builds about 1,536 a day.

At Honda's and Yoshino's success story in Japan — Suzuka — if there is any one factor that makes such a rapid, intense operation possible, Yoshino suggests it might be age, or rather the lack of it. In Japan, the average age of the Honda worker is 27, he says, about 10 years younger than the competition.

Honda officials say the average age of Marysville workers is 29-30. And one 28-year-old worker there refers to his colleagues as "kids."

At Suzuka, Yoshino emphasizes efficiency in the component supply system, so much so that the average lead time on major items is now approximately 10 days. The goal, Yoshino says, is zero-inventory, with production almost to order.

Yoshino arrives in the United States on Thursday to take up his new position, replacing Irimajiri who has returned to Japan to head all of Honda's worldwide manufacturing.

Automotive News Staff Reporter Louise Kertesz contributed to this report.

SALES

DOMESTIC CAR SALES

	June 21, 1988	June 21, 1987	June 21, 1988	June 21, 1987	June 1, 1988	June 1, 1987
Alliance	135	1,518	256	2,566	3,696	14,171
Eagle	0	301	0	441	1,392	2,228
Premier	1,752	0	4,471	0	18,488	0
Total Eagle	1,887	1,819	4,727	3,009	23,576	16,399
Horizon	2,507	1,129	5,953	3,690	27,806	34,675
Sundance	4,214	3,593	10,013	9,986	43,179	40,912
Turismo	0	384	0	993	1,115	11,935
Reliant	3,568	2,894	8,191	8,313	65,987	53,962
Caravelle	264	1,709	1,116	4,153	10,287	19,630
Gran Fury	880	258	1,885	826	7,584	3,689
Total Plymouth	11,413	9,967	27,150	27,963	155,688	184,783
Laser	0	108	0	293	0	3,629
LeBaron K	685	2,513	1,725	6,449	14,338	30,004
LeBaron J	4,033	3,367	9,303	8,250	56,931	28,190
LeBaron GTS	589	753	1,427	2,512	8,796	17,717
Fifth Avenue	749	1,128	1,826	3,450	26,390	20,655
New Yorker C	3,705	0	9,342	0	34,524	0
New Yorker E	27	2,226	63	8,133	14,170	30,734
Total Chrysler	9,788	10,115	23,688	27,087	155,157	130,929
Omni	2,525	861	6,178	2,762	26,899	28,134
Shadow	4,017	3,708	9,546	10,283	47,823	38,602
Charger	0	382	0	1,100	1,022	15,802
Daytona	3,454	1,573	8,016	4,298	40,888	16,529
Aries	3,347	2,831	7,871	8,685	58,293	80,671
Lancer	364	550	907	1,706	5,755	13,423
Diplomat	782	502	2,053	1,444	12,227	5,581
Dynasty	2,951	0	8,308	0	37,897	0
Dodge 600	289	1,162	1,075	3,402	9,404	18,495
Total Dodge	17,729	11,569	43,955	33,680	240,208	187,237
CHRYSLER MOTORS	40,817	33,470	98,528	91,739	574,609	499,348
Escort	15,789	12,155	36,588	36,715	192,071	191,582
Mustang	8,205	5,539	15,451	16,105	99,430	96,273
Tempo	10,625	5,347	27,167	21,153	147,088	126,105
Taurus	15,600	10,659	36,800	31,499	210,973	174,980
Thunderbird	4,367	3,915	11,333	12,292	66,432	80,923
Probe	2,832	0	6,890	0	18,837	0
Crown Victoria	5,084	4,791	12,182	12,724	84,104	64,317
Total Ford Div.	60,502	42,406	148,411	130,488	800,935	714,190
Lynx/Tracer	2,158	2,279	5,241	6,927	31,056	32,168
Topaz	4,886	1,623	9,302	5,851	44,657	36,271
Sable	6,158	2,967	12,486	8,483	66,893	47,224
Cougar	4,337	3,535	10,263	10,795	59,788	52,842
Marquis	0	0	0	0	0	2,510
Grand Marquis	4,799	4,381	11,671	12,296	61,020	56,856
Total Mercury	22,118	14,785	48,963	44,352	263,414	227,871
Continental	1,619	473	3,767	1,294	21,562	7,286
Lincoln	4,900	4,050	12,252	12,528	64,388	60,331
Mark VII	788	1,005	1,846	2,678	11,275	13,449
Total Lincoln	7,307	5,528	17,865	16,500	97,225	81,048
Total L-M Division	29,425	20,313	66,828	60,852	390,639	308,919
FORD MOTOR CO.	89,927	62,719	215,239	191,340	1,161,574	1,023,109
Skyhawk	686	1,129	1,795	3,603	15,574	18,906
Somerset Regal	2,766	2,196	6,500	6,284	32,030	36,458
Century	4,587	3,725	10,407	11,819	59,173	74,415
Regal	4,733	1,867	11,774	4,936	63,127	74,415
LeSabre	5,522	4,610	11,877	12,502	79,231	85,913
Regatta	188	0	446	0	1,634	0
Electra	3,468	2,321	7,483	6,587	41,836	36,245
Riviera	255	495	722	1,268	5,187	11,069
Total Buick	22,205	16,363	51,004	47,011	297,792	288,714
Cimarron	186	486	490	1,181	3,697	6,757
Atlanta	135	78	338	235	1,792	1,093
DeVille	903	699	1,798	1,814	10,611	12,407
DeVille	3,744	4,103	9,792	11,143	77,352	71,164
Brougham	1,252	1,540	2,922	4,444	20,385	25,356
Eldorado	1,049	749	2,395	1,943	14,348	10,365
Total Cadillac	7,329	7,655	17,735	20,760	128,185	127,142
Chevette	5	233	13	716	191	15,555
Nova	3,381	7,672	8,147	22,200	62,006	75,577
Cavalier	12,497	7,639	31,317	21,931	156,855	166,885
Camaro	3,866	3,557	10,065	10,995	53,055	68,139
Celebrity	7,884	8,147	22,033	25,797	138,504	178,152
Corsica/Beretta	17,012	11,361	44,376	28,504	222,514	76,906
Monte Carlo	1,105	2,142	2,981	6,391	21,563	31,945
Chevrolet	6,823	5,475	17,689	15,050	89,898	89,118
Corvette	859	757	2,427	2,415	13,544	13,202
Total Chevrolet	53,432	44,983	139,048	133,999	758,130	715,459
Firenza	232	485	460	1,525	6,846	8,370
Calais	4,617	3,296	11,116	9,662	54,832	54,236
Cutlass Ciera	9,615	6,457	22,669	20,833	119,859	128,575
Cutlass Supreme	4,016	3,898	10,059	9,328	54,320	56,280
Olds 98	6,970	5,214	17,385	15,244	94,819	89,296
Olds 98	2,276	2,039	5,752	6,265	38,051	34,254
Toronado	884	965	1,882	2,323	8,898	10,141
Total Oldsmobile	28,610	22,344	69,323	65,180	377,425	381,132
Fiero	1,087	1,213	2,618	3,939	15,689	26,396
1000	0	66	0	201	154	4,123
Sunbird	3,674	2,416	8,922	7,598	45,100	45,677
Firebird	2,701	2,370	6,055	7,989	33,632	42,498
Grand Am	11,245	5,475	25,154	20,279	127,760	111,661
6000	4,759	2,567	11,516	10,303	55,389	64,216
Grand Prix	3,893	284	9,087	883	44,531	9,059
Bonneville H	5,044	0	11,961	0	64,811	0
Paris/Safari	226	2,883	580	9,311	3,804	52,277
Total Pontiac	32,629	17,274	75,895	60,503	380,870	355,907
GENERAL MOTORS	144,205	106,619	353,005	327,493	1,952,402	1,848,354
HONDA	13,576	10,057	30,040	25,015	184,876	154,811
Civic	4,354	4,400	9,175	9,985	48,345	49,801
Accord	9,222	5,657	20,864	15,030	136,531	105,010
MAZDA	1,485	0	2,909	0	14,005	0
NISSAN	8,035	6,045	11,915	13,718	49,957	64,790
TOYOTA	3,066	1,226	5,418	2,586	27,571	18,282
VOLKSWAGEN	2,334	2,514	4,301	4,876	24,939	33,831
DOMESTIC TOTAL	301,435	224,852	722,384	658,727	3,969,933	3,642,525
IMPORT TOTAL	284,200	281,584	1,534,232	1,443,406		
INDUSTRY TOTAL	1,006,564	938,311	5,524,165	5,085,931		

First-half deliveries climb 8%

Cars and trucks share gains in strong market; domestics shine

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Strong consumer confidence, extended incentives — mainly rebates — and healthy economic indicators created enough momentum to move U.S. car and truck sales ahead 8.59 percent in the first half of 1988.

Enthusiasm prevails among dealers and automotive analysts, who suggest that strong sales should continue despite tight inventories.

And there is still pent-up demand in some regions of the country, according to Jack V. Kirman,

Kidder, Peabody & Co. auto analyst.

"The first six months were very strong for us," said James Hoffer, general manager of Jordan's Automall (Ford-Toyota-Volvo), Mishawaka, Ind.

"The only problem is that we have shortages of certain product lines like Probe," he said. "The final six months will be even better."

Although sales were up for the first half, a Fort Lauderdale, Fla., Cadillac dealer said: "Sales are slow and inventories are low. Eldorado is on the move. I think a

rebate available directly to the customer would help."

In spite of lower stocks, total new-vehicle deliveries in the United States from January through June were 8,218,545 units, or nearly 650,000 units stronger than the 7,568,714 vehicles sold in the first six months of 1987.

This year's first-half total includes an estimate of 167,000 medium- and heavy-truck deliveries.

Combined sales of new domestic and imported cars climbed 8.62 percent to 5,524,165 compared with 5,085,931 for the first six months last year. There were 438,234 more cars delivered in the first half this year.

In the first half, domestic-car sales gains surpassed the upturn in import deliveries by more than three percentage points.

Sales of U.S.-built cars pulled ahead 9.54 percent to 3,989,933 units vs. 3,642,525 in the first six months of 1987. The volume gain was 347,408 units.

Sales of imported cars rose 6.29 percent to 1,534,232 from 1,443,406 in the previous year's first half. Import deliveries increased by 90,826 units in the first six months, although the import car share slipped to 27.77 percent from 28.38 percent last year.

Truck deliveries were equally strong in the first half of 1988. Deliveries of light, medium and heavy trucks were estimated at 2,694,380, up 8.52 percent from 2,482,783 in the first six months of 1987. Trucks accounted for 32.78 percent or nearly a third of the total vehicle market.

The Big 3 U.S.-based manufacturers gained a larger share of the U.S. car and light-truck market in the first six months this year. They took 73.85 percent of the total compared with 71.42 percent a

continued →

IMPORTED CAR SALES

	June 1988	June 1987	6 mos. 1988	6 mos. 1987
Acura	11,390	9,609	61,303	50,171
Alfa Romeo	485	657	2,708	3,422
Audi	2,422	7,915	11,733	24,687
BMW	6,153	7,711	34,786	42,967
Chevrolet	13,278	10,897	64,347	60,162
Chrysler	1,323	1,147	5,679	6,287
Daihatsu	1,012	0	5,273	0
Dodge	5,039	5,245	28,932	28,578
Ford	6,087	1,402	35,269	2,945
Eagle	678	1,792	8,568	5,570
Honda	21,889	21,489	121,282	132,057
Hyundai	28,041	27,189	148,493	127,056
Isuzu	2,788	4,438	11,595	16,151
Jaguar	1,908	2,192	9,897	10,024
Maserati	79	89	509	516
Mazda	20,227	21,144	116,146	89,573
Mercedes-Benz	8,154	7,273	44,066	45,411
Mercury	1,825	1,432	6,404	5,133
Mitsubishi	6,300	7,755	35,042	34,147
Nissan	35,324	37,013	188,436	211,284
Peugeot	768	755	3,482	4,440
Plymouth	4,624	4,693	26,212	25,774
Pontiac	5,484	3,454	32,434	3,454
Porsche	1,554	2,200	8,807	12,824
Saab	3,636	4,279	19,341	22,087
Sterling	715	1,160	4,947	6,381
Subaru	15,000	14,343	75,724	77,514
Toyota	54,906	47,584	283,478	242,717
Volkswagen	11,945	12,813	73,194	62,855
Volvo	9,153	9,083	49,621	61,964
Yugo	2,013	4,761	16,544	27,033
TOTAL	284,200	281,584	1,534,232	1,443,406

Sales charts compiled by Karen Delowski

U.S. CAR SALES BY MARKETING UNITS

	June 1988	Percent Share	June 1987	Percent Share	6 Mos. 1988	Percent Share	6 Mos. 1987	Percent Share
Alfa Romeo	485	0.05%	657	0.07%	2,708	0.05%	3,422	0.07%
American Honda.....	63,328	6.29%	56,093	5.98%	367,441	6.65%	337,039	6.63%
BMW	6,153	0.61%	7,711	0.82%	34,786	0.63%	42,967	0.85%
Buick	51,004	5.07%	47,011	5.01%	297,792	5.39%	268,714	5.28%
Cadillac	17,735	1.76%	20,760	2.21%	128,185	2.32%	127,142	2.50%
Chevrolet	152,326	15.13%	144,896	15.44%	822,477	14.89%	775,621	15.25%
Chrysler	25,011	2.48%	28,234	3.01%	160,836	2.91%	137,216	2.70%
Daihatsu	1,012	0.10%	0	0.00%	5,273	0.10%	0	0.00%
Dodge	48,994	4.87%	38,925	4.15%	269,140	4.87%	215,815	4.24%
Eagle	5,405	0.54%	4,801	0.51%	32,144	0.58%	21,969	0.43%
Ford	154,496	15.35%	131,980	14.07%	836,204	15.14%	717,135	14.10%
Hyundai	28,041	2.79%	27,189	2.90%	148,493	2.89%	127,056	2.50%
Isuzu	2,788	0.28%	4,438	0.47%	11,595	0.21%	16,151	0.32%
Jaguar	1,908	0.19%	2,192	0.23%	9,897	0.18%	10,024	0.20%
Lincoln	17,865	1.77%	16,500	1.76%	97,225	1.76%	81,048	1.59%
Maserati	79	0.01%	89	0.01%	509	0.01%	518	0.01%
Mazda	23,136	2.30%	21,144	2.25%	130,151	2.36%	89,573	1.78%
Mercedes	8,154	0.81%	7,273	0.78%	44,066	0.80%	45,411	0.89%
Mercury	50,788	5.05%	45,784	4.88%	269,818	4.88%	233,004	4.58%
Mitsubishi	6,300	0.63%	7,755	0.83%	35,042	0.63%	34,147	0.67%
Nissan	47,239	4.69%	50,731	5.41%	238,393	4.32%	276,074	5.43%
Oldsmobile	69,323	6.89%	65,180	6.95%	377,425	6.83%	381,132	7.49%
Peugeot	768	0.08%	755	0.08%	3,482	0.06%	4,440	0.09%
Plymouth	31,782	3.16%	32,656	3.48%	181,880	3.29%	190,557	3.75%
Pontiac	81,379	8.08%	63,957	6.82%	423,304	7.66%	359,361	7.07%
Porsche	1,554	0.15%	2,200	0.23%	8,807	0.16%	12,824	0.25%
Saab	3,636	0.36%	4,279	0.46%	19,341	0.35%	22,087	0.43%
Starling	715	0.07%	1,160	0.12%	4,947	0.09%	6,381	0.13%
Subaru	15,000	1.49%	14,343	1.53%	75,724	1.37%	77,514	1.52%
Toyota	60,324	5.99%	50,170	5.35%	311,049	5.63%	280,999	5.13%
Volk	9,153	0.91%	9,083	0.97%	49,621	0.90%	61,964	1.22%
VW/A	18,668	1.85%	25,604	2.73%	109,886	1.99%	121,573	2.39%
Yugo	2,013	0.20%	4,781	0.51%	16,544	0.30%	27,033	0.53%
TOTAL	1,006,564	100.00%	936,311	100.00%	5,524,165	100.00%	5,085,931	100.00%
TOTAL GM	371,787	36.93%	341,604	36.43%	2,049,183	37.10%	1,911,970	37.59%
TOTAL FORD	223,151	22.17%	194,264	20.70%	1,203,247	21.78%	1,031,187	20.28%
TOTAL CHRYSLER ...	111,192	11.05%	104,616	11.15%	644,000	11.66%	565,557	11.12%
TOTAL JAPANESE	219,127	21.77%	204,674	21.81%	1,174,688	21.26%	1,091,497	21.46%
TOTAL EUROPEAN	53,286	5.29%	65,764	7.01%	304,574	5.51%	358,664	7.05%
TOTAL KOREAN	28,041	2.79%	27,189	2.90%	148,493	2.69%	127,056	2.50%

SALES

FROM PAGE 75

year ago.

General Motors' share, including captive imports and light trucks, rose about half a percentage point to 35.46 percent vs. 34.93 percent in the 1987 first half.

GM's total vehicle sales grew 10.26 percent or 271,243 units to 2,914,067, compared with 2,642,824 cars and light trucks a year ago.

Ford Motor Co. took nearly a fourth (23.97 percent) of combined car and light-truck sales in the first six months. Ford sold 1,970,173 cars and light trucks in the first half.

That was an increase of 13.16 percent or 229,056 units over last year's first half. Its market share was 23.00 last year.

Chrysler Motors' share of the car and light truck market (including captives) also rose almost a percentage point.

Chrysler took 14.42 percent of the vehicle market in the first half compared with 13.49 percent in the year-ago period. Chrysler delivered 1,185,342 vehicles vs. 1,020,802. That was a gain of 16.12 percent or 64,740 more cars and trucks.

Two of the four Japanese carmakers with transplant operations reported increased car and light truck sales for the first six months.

Honda juggled delivery gains and losses in the first half to reap an overall sales gain of 9.02 percent. Transplant sales surged ahead 19.42 percent in the first half and import deliveries dropped 8.17 percent below last year's first

MARKET SHARES, JUNE 1988

	Total Sales	Pct. of Total
SUBCOMPACT.....	90,884	9.03
COMPACT.....	203,634	20.23
INTERMEDIATE.....	294,725	29.28
STANDARD.....	127,292	12.65
SPECIALITY.....	5,829	0.58
IMPORT.....	284,200	28.23
TOTAL.....	1,006,564	100.00

six months.

Honda's market share in the United States crept up to 4.47 percent vs. 4.45 percent in the comparable year ago period.

Among Japanese makers, Toyota sold the most vehicles in the first half. Total car and light-truck sales rose 3.99 percent in the first six months, although Toyota's market share slipped from 5.49 percent to 5.26 percent.

Sales of Toyota vehicles built by New United Motor Manufacturing Inc. rose 50.81 percent to 27,571 in the first half.

Nissan's market share slid to 3.93 percent from 5.17 percent a year ago, and its total sales of U.S.-built and imported cars and light trucks tumbled 17.50 percent in the first six months.

Those three Japanese companies held 13.66 percent of the U.S. car and light-truck market in the first half compared with 15.11 percent in the first half of 1987. All other foreign carmakers accounted for 12.49 percent of the 1988 market.

The fourth transplant, Mazda, sold 14,005 U.S.-built vehicles in

the first half. It began producing cars in Flat Rock, Mich., in September 1987. Mazda's import-vehicle deliveries rose 29.67 percent in the first six months of 1988.

U.S. and import car manufacturers posted moderate sales gains in the second quarter of 1988. Car deliveries were 2,876,037, up 4.47 percent, or almost 113,000 units over last year's.

GM's import and domestic car sales were up 2.72 percent. Ford's deliveries rose 11.05 percent and Chrysler sold 8.75 percent more cars in the second quarter.

Japanese car sales improved 7.20 percent in the second three months and Korean deliveries were 9.27 percent stronger than in the second quarter of 1987.

European car sales fell 21.33 percent in the second quarter.

The two top-selling vehicles in the first six months of 1988 were both trucks. Ford's F-series pickup was the sales volume leader in the first half. Chevrolet's full-sized pickup took second place.

Ford Taurus ranked third, followed by Ford Escort and Honda Accord held fifth place.

For the first six months, five of the eight U.S. car manufacturers reported gains in domestic deliveries. GM's first-half domestic car sales rose 5.63 percent above last year's comparable period. Buick and Pontiac sales and market share improved. Cadillac and Chevrolet sold more cars but lost market share. Oldsmobile's sales and share lagged behind last year's first half.

Ford's domestic-car sales

climbed 13.53 percent in the first half and Ford Division outsold Chevrolet in the first six months. Ford Division delivered 800,935 U.S.-built cars while Chevrolet sold 758,130 in the first half.

Chrysler's car sales rose 15.07 percent or 75,261 units in the first half. Dodge Division car and truck sales were the best ever according to the company.

Transplant sales for Honda and Toyota climbed dramatically in the first six months. Honda's U.S.-built car sales rose 19.42 percent, and Toyota's transplant deliveries climbed 50.81 percent. Nissan's transplant sales declined 22.89 percent and Volkswagen's U.S. built deliveries dropped 26.28 percent compared to last year's first half. Mazda sold 14,005 U.S.-built cars.

Import-car makers sold 6.29 percent more cars in the first six months this year. Big gains were reported by Honda's Acura Division, up 22.20 percent; Mazda, up 29.67 percent; Hyundai, up 16.87 percent. A big loser was Audi, down 52.85 percent.

Domestic-car deliveries finished the first half with a flourish. June 21-30 domestic deliveries swelled 34.19 percent.

The full month's sales of U.S.-built and import cars were up 7.27 percent. Total car sales in June were 1,006,564 compared with 938,311 a year ago. Domestic sales jumped 9.99 percent to 722,364 from 656,727 last year. Imports edged up 0.93 percent to 284,200 from 281,584 a year ago.

June sales plunge 70% for Suzuki

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — Suzuki dealers are struggling to cope with a 70 percent nosedive in sales of the Samurai after Consumers Union labeled the sport-utility vehicle "unsafe."

The company sold 2,199 units last month in the United States compared with 7,479 in June 1987. Sales in May were 6,074.

While dealers maintain that Samurai owners seem to be happy with the vehicles despite their tarnished reputation, they admit that isn't helping draw buyers.

In an attempt to attract customers, Stillman Suzuki in Englewood, N.J., for instance, is offering a "Try Before You Buy" campaign in which customers can rent a Samurai for up to a week before deciding whether to buy one.

"Frankly, it's not brought a lot of people in, but it has generated some interest," said Dick Brahs, general manager for Stillman Suzuki. The dealership's radio ads tout an inventory of "more than 200" Samurais to choose from, but Brahs conceded that number is about twice what he would like.

Customers with a valid New Jersey driver's license can rent a Samurai for \$150 for a weekend or \$375 for a week, provided they leave a \$500 deposit. If the customer decides to buy the Samurai, the money goes toward the purchase, Brahs said.

Some of Suzuki's biggest U.S. dealers last week said they are interested in the "Try Before You Buy" idea, but they're waiting for word from Suzuki of America Automotive Corp. in Brea, Calif., before embarking on any programs of their own.

"We have not as yet resorted to any particular program to counteract the bad publicity," said Eric Jones, general manager of Courtesy Suzuki in Tampa, Fla. "The corporation is supposed to release some information as to exactly what our posture is going to be."

Brahs said dealers have been told to expect "some kind of statement" from Suzuki in the next week to 10 days. "Whether that's going to be a marketing program, or some kind of statement opposing Consumers Union, I have absolutely no idea," he said.

A Suzuki spokesman at the company's public relations agency in Los Angeles said he was "not aware of any program Suzuki is putting together with its dealers."

"Dealers have inventory to sell," Brahs said. "We believe we have a safe product, and it's up to the dealers to move it."

Dealers said despite the drop in sales, people who already own Samurais remain loyal customers.

"Owners of Suzukis have banded together," said Mike Guinn, sales manager for Red Bird Suzuki in Duncanville, Texas.

"We're getting support from those you'd expect it from least, the owners. You'd think they'd be terrified, beating our doors down, but we've got them banding together instead," Guinn said.

One of Red Bird Suzuki's customers, Kenneth George, 26, has gone so far as to have bumper stickers printed that say, "I'm Proud of My Samurai."

Trucks rocket to record; 2.7 million for first half

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Domestic truck sales turned in a stellar first-half performance, putting the industry in line for model-year and calendar-year records.

Truck manufacturers retailed 2,694,380 trucks, including an estimated 167,000 mediums and heavies, during the first six months of this year, 8.52 percent above last year's total, the previous record.

Sales in the first half ran at an annualized rate of 5.3 million units, according to Detroit auto company analysts.

They now feel fairly sure that sales will hit 5.2 million in the 1988 model year and believe the industry also is squarely in line for 5.2 million in the calendar year.

For the 1988 model year to date, with three months remaining, truck manufacturers have retailed about 3.9 million units.

They retailed 4.97 million in the entire 1987 model year and 4.96 million in the 1987 calendar year. Both are records.

Light-duty trucks, with 2,527,380 sales in the first half of calendar 1988, are the major driving force behind the industry's upturn. They were up 7.89 percent from 2,342,525 in first six months of 1987.

The industry also retailed an estimated 167,000 medium and heavy trucks, up 19.07 percent from 140,258 in the first six months of calendar 1987.

Light-truck inventories at the end of June were a bit thin but were adequate to continue the industry's current sales pace.

Ford, for example, had a 57-day supply of trucks at the end of June; Chrysler, 55 days; and Jeep, 65 days. Chevrolet was estimated to have about a 60-day supply.

U.S.-based light-truck manufacturers picked up about 5 percent-

age points of market share during the first half, as higher import prices, triggered by the yen/dollar situation, continued to hurt foreign-based manufacturers, particularly in their high-volume pickup lines.

U.S.-based light-truck manufacturers captured 85.98 percent of the market during the first six months of this year, up from 80.94 percent in like 1987.

Conversely, the foreign-based manufacturers' share dropped to 14.02 percent from 19.06 percent a year earlier.

All U.S.-based manufacturers except Ford, which was selling at capacity last year, showed double-digit percentage increases in their sales during the six-month period.

Jeep had the largest gain, with sales of 124,104 trucks, up 22.24 percent from a year earlier.

GMC had an 18.83 percent gain on light-duty truck sales of 181,142 during the six-month period.

Chevrolet posted an 18.21 percent gain on sales of 683,742 light-duty trucks.

Chrysler was up 17.96 percent on sales of 417,238 light trucks, and Ford had an 8.03 percent gain on sales of 766,926.

Collectively, foreign-based firms retailed 354,228 light trucks during the six months, down 20.66 percent from a year earlier.

Full-sized pickups continued to be the comeback story of the year and the major source of strength for Ford and Chevrolet.

Ford's F series accounted for nearly 41 percent of its light-truck total, with sales of 312,847, up 15.42 percent over last year.

Chevrolet's new C/K and older R/V full-sized pickups, with 263,774 sales, rose 27.65 percent over the year-earlier total.

LIGHT-DUTY TRUCK SALES

	June 1988	June 1987	6 Mos. 1988	6 Mos. 1987
Vans.....	17,387	17,826	98,894	93,222
Aerostar.....	15,144	17,245	95,316	80,808
Club Wagon.....	2,781	2,548	15,135	14,648
Ranger.....	29,155	32,677	155,282	168,459
Bronco.....	4,763	4,388	27,788	25,127
Bronco II.....	11,484	12,087	61,684	56,607
Pickups.....	54,740	48,256	312,847	271,059
Ford.....	135,454	136,927	788,928	708,538
Vans.....	11,179	10,738	69,148	53,705
Sportsvan.....	1,233	1,049	8,012	6,264
Astro.....	16,744	15,903	87,746	75,153
S-10.....	23,247	22,303	122,894	115,709
S-10 Blazer.....	15,326	13,837	82,922	72,285
El Camino.....	7	1,326	412	6,696
Blazer.....	2,001	2,813	14,643	14,649
Suburban.....	6,788	5,979	34,191	27,318
Pickups.....	47,908	39,577	263,774	206,638
Chevrolet.....	124,431	113,838	683,742	578,417
Vans.....	5,563	7,632	31,936	35,435
Ram Wagon.....	2,601	3,735	14,237	16,863
Voyager.....	21,738	15,855	105,119	64,091
Caravan.....	22,766	16,800	113,108	68,375
Mini Ram Van.....	2,531	1,388	10,732	6,890
Ram 50.....	5,127	6,190	32,185	35,086
Raider.....	584	1,805	3,508	8,932
Ramcharger.....	1,373	2,301	10,179	12,500
Dakota.....	6,266	11,689	49,914	53,824
Pickups.....	7,834	9,738	46,342	51,725
Chrysler.....	78,383	77,193	417,238	383,721
Vans.....	3,862	3,768	25,018	19,395
Safari.....	3,292	3,540	18,000	16,316
S-15.....	4,689	4,855	25,889	24,556
S-15 Jimmy.....	3,728	3,511	20,109	17,782
Jimmy.....	523	811	4,021	4,100
Caballero.....	4	190	50	857
Suburban.....	2,149	1,894	11,948	9,559
Pickups.....	13,280	11,182	73,206	56,386
P Model.....	380	403	2,161	2,790
W-4.....	146	124	730	696
GMC.....	32,653	30,288	181,142	152,437
Wrangler/CJ.....	4,848	3,318	21,708	15,083
Wagoner.....	700	1,149	4,489	6,395
Cherokee.....	12,527	10,010	70,291	52,664
Grand Wagoner.....	1,213	1,206	6,546	6,349
Comanche.....	3,551	4,427	20,849	20,164
J-10/J-20.....	0	228	221	869
Jeep.....	22,839	20,338	124,104	101,524
Toyota.....	20,461	25,182	121,309	154,755
Nissan.....	14,746	23,029	84,661	115,493
Mazda.....	7,676	11,184	52,125	60,523
Isuzu.....	7,554	7,115	39,196	45,606
Mitsubishi.....	3,316	5,109	24,131	25,488
Suzuki.....	2,199	7,479	31,221	42,912
Subaru.....	0	62	9	997
Range Rover.....	209	253	1,576	722
Imports.....	56,161	79,413	354,228	445,496
Industry Total.....	449,381	455,704	2,527,380	2,342,525

Compiled by Karen DeHovest

PRODUCTION

Auto output nudges up to 161,502

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Last week's scheduled domestic auto production of 161,502 increased slightly (0.95 percent) over the prior week's 159,987 and doubled the year-ago week's 80,517 when Ford Motor Co. plants were idle for vacation.

So far this year, 3,795,261 cars have been assembled, 3.81 percent below the 3,945,521 completed last year at this point.

Companies split last week's targeted auto output as follows: General Motors, 48.55 percent; Ford, 26.15 percent; Chrysler Motors, 14.37 percent; Honda of America Manufacturing Inc., 4.63 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 1.85 percent; New United Motor Manufacturing Inc., 1.61 percent; Nissan Motor Manufacturing Co. U.S.A., 1.60 percent; and Volkswagen of America, 1.24 percent.

Truckmakers scheduled production of 75,874 units last week, 8.35 percent below the previous week's 82,788 but more than double the year ago week's 31,557.

All Ford car and truck plants will be closed this week and next for vacation. Output is slated to resume July 18.

Honda, NUMMI and Nissan plants are idle until July 11 for vacation.

GM's Fiero plant in Pontiac, Mich., is down until July 11 for inventory adjustment.

GM announced it will move production of certain light-duty truck models from its Janesville, Wis., plant to its Flint, Mich., plant next spring to make space for a new medium-duty truck scheduled to be built at Janesville. About 650 workers will be recalled at the Flint facility.

All assembly plants are closed today in observance of Independence Day.

Holiday cuts Canadian build

Car and truck production in Canada last week fell below the previous week's total because of the Canada Day holiday, which was celebrated on Friday.

Last week's targeted car production of 20,803 dipped 14.04 percent from the prior week's 24,200 but rose 56.58 percent from the year-ago week's 13,286.

The year-ago week's output was affected by the Canada Day holiday and downtime at Ford Motor Co. plants for vacation.

So far this year, 615,437 cars have been built, 42.42 percent more than the 432,124 assembled last year at this point.

Last week's scheduled truck production of 15,090 dipped 24.84 percent from the prior week's build of 20,077 but increased 12.29 percent over the year-ago week's 13,439.

Year-to-date, 494,444 trucks have been assembled, 14.96 percent more than the 430,092 completed last year at this time.

Honda of Canada Manufacturing Inc. closed its plant in Alliston, Ontario, this week for vacation. Production is slated to resume on July 11.

U.S. CAR	Week Ended July 2, 1988	Week Ended July 4, 1987	Week Ended June 25, 1988	June Est.	Jan. 1 to July 2, 1988	Jan. 1 to July 4, 1987
Alliance	0	0	0	0	0	15,539
Total Eagle	0	0	0	0	0	15,539
Horizon	2,000	0	2,510	9,966	51,015	32,987
Sundance	2,600	1,325	0	8,960	54,482	54,308
Reliant	2,000	430	2,151	11,772	58,465	61,086
Caravelle	0	758	0	451	9,743	28,322
Gran Fury	300	62	524	1,777	7,538	2,363
Total Plymouth	6,900	2,575	5,185	32,627	179,273	179,686
LeBaron K	0	0	0	0	7,955	42,276
LeBaron J	2,000	2,871	1,716	9,602	41,593	64,402
LeBaron GTS	200	862	0	885	4,815	22,987
N. Yorker E-Class	0	1,513	0	0	0	45,358
N. Yorker C-Class	2,700	0	2,853	12,177	63,380	0
Fifth Avenue	300	1,092	349	1,364	15,314	22,776
Total Chrysler	5,200	6,136	4,918	24,028	131,357	197,801
Omni	2,000	0	2,363	9,602	50,487	28,363
Daytona	2,000	1,362	1,699	9,473	40,524	31,694
Shadow	2,300	1,548	0	7,919	55,515	55,560
Aries	2,000	379	1,881	10,574	48,330	58,257
Dodge 600	0	728	0	436	8,558	25,764
Dynasty	2,200	0	2,232	9,786	57,871	0
Lancer	200	468	0	597	5,204	14,466
Diplomat	400	319	408	1,761	11,701	4,277
Total Dodge	11,100	4,804	8,603	50,148	278,190	218,381
CHRYSLER MOTORS	23,200	13,517	18,706	107,003	588,820	611,407
Escort	9,613	0	9,742	41,534	203,190	191,122
Mustang	4,518	0	4,528	18,578	110,724	110,724
Tempo	3,983	0	3,701	18,711	103,382	97,181
Taurus	9,789	0	9,599	40,206	214,981	218,716
Thunderbird	3,266	0	3,331	15,172	84,921	84,854
Total Ford Div.	31,169	0	30,901	132,201	717,198	702,102
Lynx	0	0	0	0	0	20,018
Topaz	1,510	0	1,451	8,464	38,749	32,207
Cougar	3,259	0	3,121	11,859	64,467	78,792
Sable	3,050	0	3,117	12,810	74,233	69,473
Total Mercury	7,819	0	7,689	31,133	177,449	200,490
Continental	718	0	912	3,878	23,746	9,364
Mark VII	365	0	485	2,002	13,029	13,928
Lincoln	2,166	0	2,817	11,891	75,730	70,236
Total Lincoln	3,249	0	4,214	17,771	112,505	93,528
Total L-M Division	11,068	0	11,903	48,904	289,954	294,018
FORD MOTOR CO.	42,237	0	42,804	181,105	1,007,152	996,120
Slyhawk	16	651	5	21	11,374	16,472
Skyhawk/Somerset	1,682	811	1,544	6,746	26,608	37,414
Century	3,360	2,707	3,653	15,293	80,574	94,982
Regal (nwd)	0	768	0	0	0	24,262
Riviera	128	30	120	594	3,595	8,268
Electra	2,397	1,787	2,241	9,736	47,202	52,923
LeSabre (nwd)	2,500	3,746	2,485	10,639	66,127	72,882
LeSabre (nwd)	175	75	234	925	5,226	5,269
Reatta	217	0	173	837	3,257	0
Total Buick	10,175	10,575	10,455	44,790	223,963	312,472
Cimarron	0	46	0	0	3,696	7,605
Eldorado	1,006	105	1,018	4,664	23,092	10,668
Seville	601	105	605	2,786	14,319	12,890
Brougham (nwd)	410	734	483	2,205	18,466	38,711
Deville (nwd)	3,540	2,916	3,365	14,889	94,384	84,002
Allante	0	121	0	87	1,135	2,230
Total Cadillac	5,557	4,027	5,471	24,612	155,092	156,076
Cavalier	7,625	3,984	8,997	36,093	187,778	193,045
Camaro	2,480	3,119	2,353	10,374	47,429	59,298
Celebrity	5,315	4,493	5,137	22,442	100,338	180,777
Corsica/Beretta	9,270	5,565	9,484	39,944	216,939	147,182
Monte Carlo	0	826	0	0	0	37,875
Caprice	4,622	824	5,427	22,171	106,839	100,254
Corvette	443	513	443	1,905	11,176	15,936
Total Chevrolet	29,955	19,324	31,841	132,929	670,499	734,367
Calais	3,118	2,682	2,758	12,968	63,571	71,179
Firenza	0	604	0	0	5,220	8,888
Cutlass Ciera	2,000	2,411	1,820	7,396	10,220	98,846
Cutlass Supreme	4,165	1,589	3,892	17,243	108,282	38,769
Toronado	405	76	413	1,888	9,999	9,964
88 (nwd)	3,394	2,922	3,375	15,201	87,994	101,146
88 (nwd)	140	290	121	594	6,121	9,988
Olds 98	1,592	989	1,543	6,753	43,162	36,669
Total Oldsmobile	14,814	11,563	13,922	62,043	334,589	377,047
Sunbird	2,179	0	2,219	9,829	56,738	58,676
Grand Am	5,280	4,198	5,994	23,800	130,458	136,848
Firebird	1,600	1,735	1,560	6,875	34,414	42,705
Grand Prix	3,885	0	3,730	15,633	88,442	0
Pontiac 6000	1,585	1,646	1,597	6,751	40,952	43,795
Bonneville	2,753	2,861	2,777	12,274	63,849	71,045
Safari/Parisienne	103	109	42	384	4,239	5,759
Fiero	514	0	498	1,900	10,650	20,229
Total Pontiac	17,909	10,549	18,417	77,446	406,742	379,257
GENERAL MOTORS	78,410	56,038	80,106	341,818	1,790,865	1,959,219
HONDA	7,480	6,550	7,597	32,365	191,313	170,036
Civic	2,380	2,150	2,461	10,367	52,405	57,543
Accord	5,100	4,400	5,136	21,999	138,908	112,493
MAZDA*	2,992	0	2,862	11,528	47,850	0
NISSAN	2,583	0	2,782	11,432	53,471	67,784
NUMMI	2,600	3,247	3,329	13,620	82,900	99,805
Corolla	960	711	1,191	4,990	30,442	20,682
Nova	1,640	2,536	2,138	8,631	52,458	79,123
VOLKSWAGEN	2,000	1,165	1,801	8,358	32,890	41,150
Golf/GTI	2,000	915	1,801	8,358	27,337	34,799
Jetta	0	250	0	0	5,553	6,351
Total Cars, U.S.	161,502	80,517	159,987	707,231	3,795,261	3,945,521
Total Cars, Canada	20,803	13,286	24,200	108,700	615,437	432,124
U.S., Canada Cars	182,305	93,803	184,187	815,931	4,410,698	4,377,645
U.S., Canada Trucks	75,874	31,557	82,798	362,007	2,184,743	1,922,187
Cars and Trucks	273,269	138,799	287,062	1,262,204	7,089,885	6,729,924

Monthly estimates may contain error of one or two units due to rounding.
*—Total includes the Mini and Ford Probe.

CANADIAN CAR	Week Ended July 2, 1988	Week Ended July 4, 1987	Week Ended June 25, 1988	June Est.	Jan. 1 to July 2, 1988	Jan. 1 to July 4, 1987
Eagle	0	0	0	0	0	0
Premier	681	0	0	3,318	34,450	34,450
CHRYSLER MOTORS	881	88	0	3,318	34,450	2,966
Escort	0	0	0	0	0	0
Lynx	0	0	0	0	0	0
Tempo	2,828	0	3,241	14,010	101,993	101,993
Topaz	1,308	0	1,635	6,703	36,448	36,448
Crown Victoria	2,216	0	2,841	11,916	71,824	71,824
Grand Marquis	2,293	0	2,911	12,296	71,831	71,831
FORD MOTOR CO.	8,442	6,780	10,628	44,926	282,006	274,660
Celebrity	586	0	572	2,685	11,788	11,788
Cutlass Ciera	5,734	0	6,269	29,834	147,586	147,586
Cutlass Supreme	0	0	0	0	0	0
Grand Prix	0	0	0	0	0	0
Pontiac 6000	1,120	0	1,490	6,206	29,195	29,195
Regal	3,040	0	3,976	16,283	87,124	87,124
GENERAL MOTORS	10,460	5,908	12,307	55,008	275,683	143,209
Civic	840	0	1,080	4,589	7,108	7,108
Accord	0	0	0	91	12,315	12,315
HONDA	840	330	1,080	4,680	19,483	5,799
VOLVO	180	180	175	787	3,715	5,400
Total Cars, Canada	20,803	13,286	24,200	108,700	615,437	432,124
U.S. TRUCK*	Week Ended July 2, 1988	Week Ended July 4, 1987	Week Ended June 25, 1988	June Est.	Jan. 1 to July 2, 1988	Jan. 1 to July 4, 1987
Caravan	1,600	0	1,964	8,660	52,134	52,134
Dakota	2,000	0	1,932	8,634	50,737	50,737
Mini-Ram Van	150	0	309	1,367	8,180	8,180
Pickups	2,000	0	1,915	8,523	38,418	38,418
Total Dodge	5,750	4,827	6,120	27,184	158,449	145,222
Cherokee	3,700	0	4,381	17,702	95,804	95,804
Comanche	800	0	921	3,870	24,448	24,448
Grand Wagoneer	300	0	350	1,458	7,930	7,930
Pickups	0	0	0	0	0	0
Wagoneer	150	0	0	701	5,386	5,386
Total Jeep	4,950	0	5,652	23,731	139,768	108,738
Voyager	1,600	0	1,533	7,730	47,942	47,942
Total Plymouth	1,600	0	1,533	7,730	47,942	47,942
CHRYSLER MOTORS	12,300	4,827	13,305	58,646	346,159	253,980
Aerostar	0	0	4,374	14,213	103,133	103,133
Bronco	1,274	0	1,515	5,761	32,437	32,437
Bronco II	2,507	0	1,926	10,153	69,832	69,832
Econoline	4,682	0	5,190	21,784	130,007	130,007
Heavy trucks	0	0	1,442	5,476	35,080	35,080
Light trucks	10,413	0	10,107	43,893	266,818	266,818
Ranger	7,884	0	6,482	32,354	191,464	191,464
Total Ford Div.	26,740	0	31,036	133,633	834,751	761,053
FORD MOTOR CO.	26,740	0	31,036	133,633	834,751	761,0

Automotive News

July 11, 1988

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Makers now call tune on co-op ads

New fees, control tie dealers' hands

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

For some car and truck makers, cooperative advertising was a marriage made in heaven. Manufacturers spent millions from their advertising budgets in local markets and their dealers in those markets chipped in based on sales.

But something happened to that state of wedded bliss.

Manufacturers — facing escalating advertising costs and a host of new competitors — are changing the traditional co-op relationship with their dealers. New strings are being attached to factory market support dollars, and new policies are being adopted to amplify national messages at the local level.

Already, some are saying this could be the next big factory-dealer battleground.

Some dealer groups are asking factories to help fund advertising campaigns that the makers believe are low-quality and inconsistent with the image being created by the national campaign. Individual dealers in some areas are refusing to join advertising groups, forcing participating dealers to foot the entire bill for local campaigns while the non-participants share in the benefits.

And several manufacturers are now requiring their dealers to use factory advertising to receive factory funding or higher factory contributions. Others are requiring dealer groups to promote specific models in order to receive factory funds or higher factory contributions.

In fact, at this week's 1989 new-product meetings across the country, Chevrolet will tell its dealers about the extent of their now-mandatory contribution to the regional advertising plan.

see CO-OP, page 73



Too hot to handle — even on payday

Second-shift workers at Chrysler Motors' Sterling Heights, Mich., assembly plant stood outside in 100-degree heat Thursday evening and did not report to their stations. It was payday, and Chrysler officials said most workers were inside doing their jobs. Several hundred walked out of the plant Wednesday complaining of heat.

AUTOMOTIVE NEWS-JOE WILKES

Chevy revises RV allocation

Maker expects gains, but some converters will be hurt

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Chevrolet plans a major revamp of its recreational vehicle distribution and consignment pool operations — one that will put many smaller converters out of business and sharply reduce the profits of some of its largest dealers.

On the other hand, Chevrolet officials argue, the new program will restore more equitable distribution and pricing for its products, and ensure higher-quality production and customer satisfaction.

Chevrolet's new program, announced to dealers over the weekend, takes effect with the 1989 model year in October.

Under the program, dealers will no longer be able to order seat-delete or upfitter package versions of the compact Astro vans, full-sized G vans and Suburbans for non-consignment pool accounts.

Chevrolet will no longer drop-ship such units

to dealers. All of them must go through one of its bailment pool accounts.

Currently, it has 64 bailment pool companies. They handle about half its conversion business.

High-volume dealers, like Paul Sherry Chevrolet, Piqua, Ohio, and Friendly Chevrolet, Dallas, have generated a thriving business out of supplying non-consignment pool companies who do the other half of Chevrolet's conversions.

Dave Arbogast, general manager of Paul Sherry, called Chevrolet's new program a "disaster for us. It's going to take half the yearly net profit out of my dealership," he added.

Chevrolet officials claim, however, that some dealers have been getting an unduly high amount of its total van production, causing shortages and imbalances elsewhere in the distribution system.

Thomas Pfingst, Chevrolet assistant director of fleet sales and special vehicles, said that with the current shortage of Chevrolet van chassis, some dealers are having to pay \$500 over invoice for a

see CHEVROLET, page 6

Ford, VW mull bids on U.K. makers

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Ford Motor Co. and Volkswagen AG were reported to be at the heart of takeovers involving Britain's two largest automakers — Rover Group and Jaguar.

Stock prices for Jaguar plc soared late last week in London on reports that Ford was planning a takeover bid for the British company, which has undergone a massive transition to strong sales, public ownership and profitability in recent years.

While Ford spokesmen declined to comment specifically, they said Ford was not buying Jaguar shares in the public market. And Jaguar officials said they were unaware of any takeover bids by Ford.

But those reports surfaced amid increasing difficulty for the proposed takeover of Rover Group by British Aerospace. That takeover was engineered by the British government without considering outside bids. But the sale must be approved by the European Commission and that appeared less than certain in recent weeks.

Those European Commission negotiations reached a critical point last week amid rumors that VW has emerged as one of the prime alternative candidates to acquire British government-owned Rover. Along with Ford, the West German group is said to be interested in bidding should the commission reject British Aerospace's £150 million (\$255 million) takeover proposal on grounds that it is anti-competitive.

Ford and VW have been frequent partners around the world, such as the joint-venture company they formed in Brazil, Autolatina. But both Ford and VW have denied they are preparing Rover bids in the event the negotiations with the commission collapse. However, VW Chairman Carl Hahn, in a recent interview, made clear his interest in the British manufacturer, and Ford has said it considered countering the British Aerospace bid before it was accepted by the government in late March.

After weeks of negotiations, British Trade and Industry Secretary Lord Young and Eu-

see ROVER, page 74



Hiroyuki Yoshino heads to Marysville, Ohio

YOSHINO:

Honda's U.S. carbuilder takes control this week

By Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — Catcher Hiroyuki Yoshino knew how to get the most out of the best pitcher on his college baseball team — Shochiro Irimajiri.

Now Yoshino will try to do the same with the 5,000-person workforce he inherits from Irimajiri when he replaces his Tokyo University classmate as president of Honda of America Mfg. in Marysville, Ohio, this week.

Yoshino brings to the job a reputation as the fastest car builder in the world — pushing out a new Honda every 41 seconds at the famous Suzuka plant where he has been general manager for the past 18 months.

In Ohio, Yoshino comes in a year when the line speed is increasing and where he also will oversee plans to add more new models to the Marysville production roster — although he's not saying which ones.

"There will probably be more models produced at HAM (Honda of America)," he says coyly, careful not to confirm reports that quote Irimajiri as saying the additional model would be the Acura Integra.

Officially, Honda officials maintain no decision has been made about Integra and Marysville. On that score, Yoshino agrees.

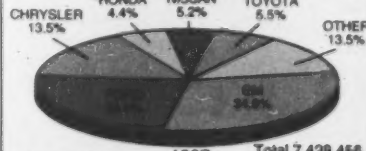
"When we make up our minds, we move

see YOSHINO, page 74

6-MONTH SHARES CARS AND LIGHT TRUCKS



*INCLUDES ACURA 1988 Total 8,051,545



*INCLUDES ACURA 1987 Total 7,428,450
Stories, tables on Pages 75 and 76

ubishi mulls Proton;
date delayed again
Page 2

EPA and NHTSA sign
cooperation accord
Page 3

Toyota picks first
Lexus dealers
Page 6

2% increase due in price of auto steel

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

General Motors and Ford Motor Co. have agreed to pay about 2 percent more for steel in the 1989 model year in a turnabout that reverses five years of declining steel prices.

"Our discussions so far indicate that flat-rolled and bar stock purchases appear to be increasing," said Daniel Marion, steel purchasing agent for Ford.

Both automakers are midway through negotiations with steel suppliers, including USX Corp., which apparently led the campaign to reverse the downward spiral and obtain higher prices.

Thomas C. Graham, president of the USS Division of USX Corp., had said in April when talks began with GM that "we don't know what's going to happen, but I would not characterize our prices as declining."

A higher cost for steel probably will have little or no impact on showroom sticker prices for cars and trucks next year, said Ronald Glantz, analyst with California-based Montgomery Securities.

"By itself, it would raise prices a tenth of a percent," he said. "More important to the auto companies is the price of health care, non-ferrous metals and forest products."

According to Glantz, steel prices — once an important economic indicator — are no longer symbolic of inflation. "It's fair to say that the automakers in the new model year would like to raise car prices 3 percent — almost twice as much as the last model year — but with the strengthening of the dollar and likelihood that sales will weaken later in the year, full recovery of higher costs might be prohibited," he said.

Marion described estimates of a 2 percent increase as reasonably accurate. GM — historically the pattern setter — and the steel companies declined comment.

Steelmakers were able to pry an increase from auto manufacturers with low supplies at a time when demand is high. Marion said steelmakers have reduced capacity; some countries have agreed to voluntary export restraints on steel and foreign steel is a less attractive purchase due to the exchange rate.



Thompson: "Our people want to win, they want to work together"

Thompson's mission GM parts groups strive for global gains

By Al Fleming
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — It is the early 1960s. A young man named Stempel is an Oldsmobile transmission design engineer working on what is to become the front-wheel-drive Toronado.

Also assigned to the Toronado project is a fellow named Thompson, an assistant chief engineer for Saginaw Steering Gear Division.

Now crank things up a quarter century to 1987.

Robert C. Stempel has just become president of General Motors. One of his first moves is to have the ex-Saginaw engineer report directly to him.

But W. Blair Thompson is no longer working on front-drive systems. He is GM vice president and group executive in charge of automotive components groups (ACG).

Now switch to April of this year. Stempel pushes another button, OK'ing the formation of an ACG group planning and coordination activity.

The move officially blesses what had been an in-house task force probing deeply into the strengths,

weaknesses and future prospects of the 15 component divisions that comprise ACG.

Now, with the formal approval of GM's powerful executive committee — which is responsible for sanctioning product plans and capital expenditures, and is chaired by Stempel — ACG is off and away on a venture to become a global force in the business of supplying original-equipment components to world vehicle producers.

It is a mission Thompson relishes. It is a mission whose success Stempel has deemed a top GM priority.

Some might call it Mission Impossible.

After all, GM's component divisions through the years have been viewed as a coddled bunch of captive vendors protected by the size and strength of their biggest customer — GM's vehicle divisions.

How can those in-house cats and dogs possibly survive — much less thrive — in the jungle-like vendor world beyond GM's walls? Especially in these days of world-class suppliers that must compete glob-

see THOMPSON, page 22

EPA and NHTSA sign cooperation accord

By Helen Kahn
SENIOR CORRESPONDENT

WASHINGTON — EPA and NHTSA now have a formal memo of understanding to deal with any crossover problems that might arise over safety rules and emission control regulations.

It is the first formal agreement between the two agencies to coordinate their rulemaking efforts.

The memo emerged after bitter complaints from Rep. John Dingell, D-Mich., whose House Energy and Commerce Committee oversees both agencies, about the lack of liaison on the onboard vapor control issue.

NHTSA and EPA have agreed to consult regularly and exchange rulemaking and other regulatory and policy documents of mutual concern. The two agencies also agreed to meet at least quarterly to discuss those issues.

EPA will identify potential problems as soon as possible in the planning stage. It will send NHTSA drafts of rulemaking notices that may impact safety, fuel economy, theft or any other vehicle program. EPA said it will notify NHTSA of all its efforts, not just those under the Office of Mobile Sources.

Both agencies will review proposals before they go to the White House Office of Management and Budget.

EPA will consider and "accommodate" NHTSA's comments, where appropriate, consistent with Clean Air and other laws. EPA will discuss matters at quarterly meetings and again consider NHTSA's views. This will continue through the draft of the final rule and prior to the issuance of the final rule "where appropriate."

NHTSA promised similar consideration, with a pledge to keep an eye on environmental impact statements.

The memo of understanding was sent to Dingell on June 28, following a sharp letter from him dated June 13.

In that letter, he accused both agencies of "footdragging" and threatened to move ahead with legislation, if necessary.

Dingell's concern was first focused on the problem when EPA proposed onboard vapor recovery systems for passenger cars. NHTSA objected to the proposal on safety grounds. The debate went beyond the crash-related fire hazard of the system to include such issues as fuel volatility, fuel tank integrity, stalling and drivability.

Dingell's committee, which conducted hearings on the issue, tried to sort out the differences. Dingell maintained that the two agencies should have ironed out the problems beforehand.

NRA boss fires boycott hint at Iacocca

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

A war of words between the National Rifle Association and Chrysler Corp. is brewing over handgun control remarks Chrysler Chairman Lee Iacocca made in his latest book "Talking Straight."

J. Warren Cassidy, NRA executive vice president, dubbed Iacocca a "peripatetic pop-off" in his column in the July editions of *The American Rifleman* and *The American Hunter* magazines.

Cassidy also suggested that NRA's 3 million members boycott Chrysler products: "Let's use our freedom of choice when next we spend our hard-earned dollars on the new family car."

Yet it was Iacocca who fired the first volley when he wrote

that the "National Rifle Association's propaganda that 'guns don't kill people; people kill people' is a lot of hogwash."

Iacocca continued his assault by saying that "the NRA is even backing Teflon-coated bullets, which can cleanly penetrate a bulletproof vest. Why should a powerful special interest group get away with such malarky?"

Cassidy was unavailable for comment but an NRA spokeswoman said the remarks were made in his personal column and reflect his opinions.

And Chrysler said Iacocca's book reflects his opinions. "It is their right to boycott our cars just as it is Mr. Iacocca's right to speak out on handgun control," said a company spokesman.

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Pick a topic: World Congress has an expert

DETROIT — Industry experts will discuss a broad range of topics during the 13th annual Automotive News World Congress at the Westin Hotel, July 17-20. They include:

Global Affairs: Marina Whitman, group vice president, public affairs staffs, General Motors, "Global Economics and Public Policy;" Steven Roberts, director, supply policy and planning, Ford Motor Co., "The Growing Importance of Global Manufacturer-Supplier Cooperation."

Sales and Marketing: Bennett Bidwell, president, product and marketing, Chrysler Motors, "Where Do We Go from Here?;" Ronald Glantz, general partner, Montgomery Securities, "An Analyst's Perspective on the Industry;" Stuart Hamilton, manager, sales operations, Volkswagen United States, "Market Blueprinting;" J.R. Hendrick III, owner, Hendrick Management Corp., "Pros and Cons of Megadealers — Myths and Realities;" J. David Power III, president, J.D. Power and Associates, "Consumer Research and the Auto Industry;" Leon Rosen, manager, national marketing services, American Isuzu Motors, "Why Joe Isuzu Is So Believable."

Service: Marian Confer, vice president, Magazine Publishers of America, "Service Satisfac-

tion — Winning Customers Back;" Joseph Kordick, vice president, Ford parts and service division, "Doing Well by Doing Good."

Overseas: Norimasa Furuta, president, Mazda Motor Corp., "Mazda Innovation;" Vittorio Ghidella, president, Fiat Auto S.p.A., "How a European Views the American Market."

Imports: Kazutoshi Hagiwara, president, Nissan Motor Corp. in U.S.A., "The Americanization of Nissan;" Thomas Mignaneli, executive vice president, Nissan Motor Corp. in U.S.A., "From Here to Infiniti — Creating a New Focus;" Robert Oliver, chairman, Laforza Automobiles Inc., "A Luxury Sport-Touring Vehicle from Italy;" Richard Recchia, executive vice president, Mitsubishi Motor Sales of America, "Detroit Rhetoric — Fact or Fiction?"

Motorsports: Michael Kraneffuss, director, Ford special vehicle operations, "The Importance of Motorsports Today."

Suppliers: Dieter Spethmann, chairman, Thyssen AG, "State of the Industry — Supplier Perspective;" John Tuley, vice president, plastics division, Monsanto Chemical Co., "Supply-

ing the Steak — Importance of Service in a Supplier-Manufacturer Relationship."

Government: Albert Warner, director, motor vehicle division, automotive industry affairs, U.S. Department of Commerce, "Government Perspectives on the U.S. Auto Industry."

Transplants: Gregory Macosko, Easton Consultants, "Transplants: How Are Foreigners' Gardens Growing?;" James Mateyka, vice president, Booz, Allen & Hamilton, "Strategic Implications of Japanese Transplants."

Technology: Thomas Davis, chief engineer, Lansing automotive division, GM, "Vehicle Engineering Opportunities and Obligations;" Robert Eaton, president, GM-Europe, "Trends and Challenges in Automotive Technology;" Armand Feigenbaum, president, General Systems Co., "Importance of Quality Control;" Germaine Gibara, Alcan International Ltd., "Alcan's Aluminum Structured Vehicle Program;" Strother MacMinn, professor, Art Center School, "Innovating with Package and Its Styling."

For information, write Automotive News World Congress, 1400 Woodbridge, Detroit, MI 48207 or telephone 313-446-6047. Cable address is TWX 810-221-5122 AUTNEW DET.



AROUND THE WORLD

Nissan Mexicana steps closer to vehicle sales in Japan

By Stephen Downer
STAFF CORRESPONDENT

MEXICO CITY — Nissan Mexicana boss Shoichi Amemiya said he believes the time is approaching when Mexican-built Nissan vehicles will be exported to Japan.

"I feel the moment is coming when we might be able to do it," he said in an interview, "but not this year or next."

Amemiya is president of the Nissan Mexicana board of directors and general director of the company. Nissan Mexicana has been sending finished-vehicle samples to its parent company in Japan for some time. Last March, it sent a Tsuru 2 (known as the Sentra in the United States) and, for the first time, billed the parent.

"This means that we have more confidence in our products," Amemiya said, "and it is quite interesting to let people know about our quality, which we feel has been increasing steadily."

"So far we have not received any criticism," he added. "We feel we have passed the test."

Last year, Nissan Mexicana exported 16,000 vehicles to 22 countries, and it hopes to export 20,000 this year. The company was founded in Mexico 27-years ago and has been a manufacturer for 22 years.

But its export plans may be hurt by the political situation in Panama. The Central American country was its main foreign market last year, with purchases of about 6,000 vehicles.

Sales to the Bahamas, another good market, also have fallen off. Amemiya said the company has shipped about 100 vehicles to the Spanish Canary Islands as it searches for more buoyant markets. Other vehicles have been sold in Nigeria.

Nissan Mexicana is also hoping to boost monthly sales to Puerto Rico to 400. During the past year, about 250 Mexican-made Nissans were shipped there monthly.

Amemiya considers sales of Nissan Mexicana vehicles to the United States to be possible though remote, although in the past few years the company has shipped about 20 sample vehicles to Tennessee.

"The Tennessee plant manufactures the same lines of vehicles as we do here," said Amemiya. "We would need to increase our production capacity before exporting to the United States."

Nissan Mexicana has been exporting about 6,000 1.5-liter engines per month to the Smyrna, Tenn., plant for use in the Sentra. However, Amemiya said the program is

scheduled to end in late August when the vehicle receives a new powerplant.

This year, the company will spend up to \$60 million on improvements for its three production operations. About two-thirds of the money will be spent at the Aguascalientes-engine plant in northern Mexico. The remaining portion will be invested in the expansion and modernization of the vehicle assembly plant in Cuernavaca and Nissan's foundry in Lerma. Both Cuernavaca and Lerma are near Mexico City.

Nissan's new 2.4-liter engine is designed for commercial vehicles and is expected to be on the Mexican market in two years, Amemiya said. Next year, the Mexican company will begin exporting up to 4,000 engines per month to Japan. In addition, 5,000 to 6,000 engines per month will be exported to Smyrna for use in trucks.

Nissan Mexicana was relegated to second place in overall wholesale vehicle sales in Mexico by Chrysler Mexico during the first four months of the year.

But Amemiya said the Japanese firm is bouncing back.

"I feel confident that we can turn things around," he said. "We sold 7,500 units of all types in June. That is a very high figure, a record for us in any one month." Amemiya

said the company set other records in June including the export of 1,300 vehicles and total production of 10,000 cars and trucks.

Chrysler Mexico claimed 26.56 percent of the overall market of 92,446 vehicles for the first four months of this year, its deepest penetration since it started selling vehicles in Mexico 70 years ago.

Amemiya said Nissan has increased its advertising efforts and focus in response. "We are now putting more emphasis on easy credit, easy maintenance costs and fuel economy," he said.

One of the reasons for Chrysler's sales surge, according to Erick A. Reickert, Chrysler Mexico president and managing director, is the introduction of a retail credit plan called "Valor Chrysler."

The plan allows payments to be spread over 36 months. But Chrysler executives admit the program is risky at a time of economic uncertainty in Mexico.

Amemiya said Nissan Mexicana does not have sufficient financial clout to introduce such a program.

"It is a risk for Chrysler but it has produced results," he said. "The economy seems to be more stable than at the beginning of the year. So their risk was worth taking."

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Issue Date: July 25
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COLORFUL: White cars, long the standard, give way to varied hues in Japan

By Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — For years, the first thing a visitor noticed on the roads of Japan was the color of the cars; or the lack of it because just about all cars were white.

Factory tours revealed mainly white cars on assembly lines interspersed with color, which usually indicated an export.

Toyota claims credit for establishing white as the image for cars in Japan. For nearly 25 years, up to 70 percent of cars were white. That tradition was emphasized by Toyota in 1981 with its Soarer, introduced in "super white," whiter than white.

In Japanese culture, white indicates purity and formality, also sober-mindedness. Despite intermittent color fashions, white remained the prominent, overwhelming color. It also helped that the resale value for cars of any other color was much lower.

But finally, white is fading. The change started as new aerodynamic shapes began taking hold in the last two years. White may have enhanced the straight lines of earlier models, but it did nothing for the newer curved shapes, giving only a flat, dull appearance.

When Honda introduced its new Prelude a year ago, it presented a steel-gray color that became something of a signature color. Now, only 40 percent of the Prelude models sold are white, down from 70 percent.

Only 20 percent of Nissan's new wide-bodied Cima models are white. Most are a gray-blue shade. And the signature color for the new Silvia is a lime green. All the promotion for the new model is coordinated in the same color.

The trend appears to have taken hold, manifesting itself in a variety of colors on assembly lines and translating into the higher prices for non-white models on used-car lots.

VW reports increase in sales, profits

WOLFSBURG, West Germany — Volkswagen AG reported a 2 percent increase in net profits for the first six months of 1988 to 310 million marks (\$171 million).

Group sales revenue for the first half rose 5 percent to 29 billion marks (\$16 billion), with most of the gain achieved in Europe outside the West German domestic market.

Volkswagen AG, which includes Audi and Seat, is forecasting a further sales gain in the second half on the strength of the new VW Passat intermediate, which was introduced in Europe recently.

VW profits rose 3.1 percent to 598 million marks (\$330 million) in 1987. Last year's results were depressed by a 380 million mark charge for closing the Westmoreland, Pa., assembly plant.

New Norway distributor appointed by Fiat

OSLO, Norway — Fiat has a new distributor in Norway, Nortal Auto A/S.

The former distributor, Norsk Auto A/S, has gone bankrupt, and the new company has been established to take its place.

Nortal employs the same personnel and is located in the same facilities as the bankrupt company.

Lasse Finstad, the former owner of Norsk Auto A/S, has reportedly left Norway and is now living in Spain.

NEW-CAR REGISTRATIONS BY MAKE

	March 1988	Jan.-March 1988	Jan.-March 1987	Percent Change
1. Toyota	2,296	7,930	6,300	+ 26.1
2. Nissan	1,723	5,230	4,527	+ 15.5
3. Opel	1,348	4,549	3,734	+ 21.8
4. Lada	1,525	4,256	4,309	- 1.2
5. Ford	1,071	3,376	3,052	+ 10.6
6. Mazda	918	3,138	2,753	+ 14.0
7. Volkswagen	768	2,766	2,445	+ 13.1
8. Mitsubishi	791	2,554	2,110	+ 21.0
9. Peugeot	784	2,302	1,390	+ 64.5
10. Volvo	676	2,208	2,403	- 8.1
11. Honda	400	1,782	1,628	+ 9.6
12. Saab	404	1,743	2,206	- 21.0
13. Fiat	394	1,502	1,475	+ 1.8
14. Mercedes-Benz	316	1,008	883	+ 16.6
15. Citroen	276	834	546	+ 52.2
16. BMW	196	819	845	- 3.4
17. Skoda	202	771	491	+ 92.3
18. Subaru	220	684	259	+ 154.3
19. Audi	222	614	780	- 22.3
20. Seat	103	336	484	- 30.8
21. Renault	82	310	350	- 11.4
22. Suzuki	67	285	286	- 1.0
23. Lancia	47	277	—	—
24. FSO	71	281	142	+ 47.9
25. Daihatsu	24	102	195	- 25.0
Subtotal	15,046	49,553	43,456	—
Misc.	127	360	307	—
TOTAL	15,173	49,922	43,765	+ 14.1

SOURCE: Information of the Finnish Automotive Branch.

FINLAND NEW REGISTRATIONS — ALL VEHICLES

	March 1988	Jan.-March 1988	Jan.-March 1987	Percent Change
Cars	15,173	49,922	43,765	+ 14.1
Vans & light trucks	1,558	4,962	4,907	+ 8.1
Trucks	309	967	962	+ 2.6
Buses	47	140	129	+ 11.1
Misc.	118	352	279	+ 26.2
All vehicles	17,205	59,383	49,739	+ 19.4

SOURCE: Information of the Finnish Automotive Branch.

Chrysler economist expects recession to follow election

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

Election-year consumer optimism has kept new-vehicle sales in the United States above expectations for the first half of 1988 and should keep sales strong for the rest of the year.

However, 1989 will bring a post-election recession no matter who wins November's presidential election, according to Donald Hilty, Chrysler Corp.'s chief economist.

"We still feel that if the Democrats get it, they would say 'the Republicans have made a mess of the economy with the budget deficits, we need to solve this' and they would probably raise taxes and reduce spending," Hilty said. "It would probably come soon, and this slowdown in economic activity could cause a modest recession."

"If nothing is done, and the Republicans are talking that way — Bush is talking like 'everything is OK, why change?' — then we think the financial markets would force things and then the recession might come a

little later, but maybe it would be a little deeper."

Despite what Hilty sees as an inevitable recession next year, he said consumer attitudes are at a high for the current recovery period that began in November 1982.

"I think it's mainly that the unemployment rate is so low," he said. "I think that people who want a job can find one."

He said that after Black Monday, last Oct. 19, consumer confidence "fell like a rock" but has recovered steadily.

Chrysler measures consumer attitude by averaging the University of Michigan study — which Hilty feels has a financial bias toward interest rates so that when interest rates rise the study drops — and the Conference Board study, which Hilty says has a bias toward unemployment so that when

unemployment drops the Conference Board study becomes more optimistic.

"We think sales will continue quite strong for the rest of the year, mainly because consumer attitudes are so bullish," Hilty said. "We are amazed that the combination of the two is at the highest level since November 1982. That's just a fantastic phenomenon."

Still, the list of auto industry leading indicators — that is, indicators that precede market changes — is still mixed at best, using conventional green-yellow-red designations.

According to Chrysler's view, installment debt is "red," interest rates have just changed from yellow to red; consumer attitudes have just changed from yellow to green; price pressures remain yellow; disposable income is red; average length of workweek remains yellow; the low number of new unemployment claims is green; while the stock market is yellow.

That combination — three reds, two greens and three yellows — yields a compos-

ite indicator of yellow.

Currently, Chrysler is forecasting a calendar 1988 sales total of 10.1 million cars and 5.1 million trucks, which just six months ago was the company's optimum view of the 1988 market if everything fell into place perfectly.

Hilty said the strong 1988 market has been the result of long-term pressures on the automakers to keep unit volume constant, which have caused the carmakers to use innovative incentives, plus unflagging consumer confidence and the willingness of consumers to take on debt.

Hilty said his staff did an analysis of presidential election years and found that economic conditions have improved and unemployment has dropped in about 80 percent of them.

"So the consumer is not all that cynical because he has some facts on which to base the thinking that nothing can go wrong in an election year," he said. "It can, and it has, but the probabilities suggest that it won't."



Hilty



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Safety items win discounts from insurers

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Automobile insurance companies are continuing to offer discounts on personal injury and medical payment coverage for cars equipped with automatic safety belts or air bags.

In releasing a list of discounts offered by major insurers, NHTSA said that most insurance companies provide discounts for cars with factory-installed automatic crash protection.

The discounts apply to premiums for medical payments for occupants of the insured automobile or, in states with no-fault insurance, to personal injury protection for the occupants of the insured vehicle.

NHTSA Administrator Diane Steed said, "The dollar amount saved from these discounts varies from state to state, and some states set their own discount policies."

"Although the company discount policies listed (by NHTSA) have been filed nationally or in states where the companies do business, not every state insurance department has adopted them. Hawaii, Massachusetts, North Carolina, Texas, Illinois and Kentucky do not permit the discounts."

She added, "By 1990, the annual production of cars with air bags is expected to exceed two million."

NHTSA provided the following list of insurers and the discounts they are offering:

Leading Automobile Insurance Companies with Discount Policies			
(As percent of personal injury or medical payment premium)			
Company	As % of personal injury or medical payment premium	As % of personal injury or medical payment premium	As % of personal injury or medical payment premium
Allegiance	25	30	30
Auto-Owners	25	40	10
Auto Farm	20	30	10
Liberty Mutual	20	30	30
Metropolitan	20	30	30
AAA	20	30	30
Travelers	15	30	30
USAA	20	30	30
Continental Casualty	20	30	30
Prudential	20	30	30
Swire	20	30	30
AMCA	30	30	30